

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

JOIANNA, INC. d/b/a Tannins Wine Bar, )  
an Illinois citizen, )

Plaintiff, )

v. )

Case No.: 1:20-cv-4114

ERIE INSURANCE EXCHANGE, a citizen )  
of the Commonwealth of Pennsylvania, )

**JURY TRIAL DEMANDED**

Defendant. )

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**COMPLAINT AT LAW**

NOW COMES, Plaintiff, JOIANNA, INC. d/b/a Tannins Wine Bar (“Plaintiff”), by and through its attorneys, Agruss Law Firm, LLC, and complaining of Defendant, ERIE INSURANCE EXCHANGE (“Defendant”), respectfully states unto this Honorable Court as follows:

**PARTIES**

1. At all times relevant hereto, Plaintiff was and is a citizen of the State of Illinois, as it is a business corporation incorporated under the laws of the State of Illinois and maintains its principal place of business in the State of Illinois.
2. At all times relevant hereto, Plaintiff operated a wine bar business, known as Tannins, located at or about 112 N York Street, City of Elmhurst, DuPage County, State of Illinois (“Covered Property”).
3. Defendant is a citizen of the Commonwealth of Pennsylvania, as it is a reciprocal insurance exchange organized and existing in the Commonwealth of Pennsylvania and maintains its principal place of business in the Commonwealth of Pennsylvania.

4. At all times relevant Defendant was licensed to do business in the State of Illinois, selling property and casualty insurance policies to restaurants, restaurants, and other hospitality businesses.
5. Defendant is transacting the business of insurance in the State of Illinois and the basis of this suit arises out of such conduct.

#### **JURISDICTION and VENUE**

6. This court has diversity subject-matter jurisdiction over the instant case pursuant to 28 U.S.C. § 1332 as the parties are completely diverse in citizenship and the amount in controversy for Plaintiff's claim exceeds \$75,000, exclusive of interest and costs.
7. This court has personal jurisdiction over the Defendant pursuant to Federal Rule of Civil Procedure 4(k) as it is subject to the jurisdiction of a court of general jurisdiction in the state where the district court is located.
8. This court has personal jurisdiction over Defendant pursuant to Illinois' long-arm statute, 735 ILCS 5/2-209, because this matter concerns: (1) one or more contracts made to insure property and/or risk in Illinois, (2) business that Defendant transacted within Illinois, and (3) one or more contracts and/or promises Defendant made that are substantially connected with Illinois. 735 ILCS 5/2-209(a)(1), (4), and (7). In addition, Defendant exercises systematic and continuous contacts with Illinois by doing business in Illinois, serving insureds in Illinois, and seeking additional business in Illinois.
9. Venue is proper in the Northern District of Illinois pursuant to 28 U.S.C. § 1391(b)(2) as it is the judicial district in which a substantial part of the events or omissions giving rise to the claim occurred.

### **COVID-19 PANDEMIC**

10. As the Court is undoubtedly aware, SARS-CoV-2, the novel coronavirus that causes the COVID-19 disease, has caused a global pandemic.

### **EXECUTIVE ORDERS**

11. On March 16, 2020, Illinois Governor J.B. Pritzker issued Executive Order No. 7. A copy of which is attached hereto as Exhibit A.
12. Executive Order No. 7 specifically suspended service for and may not permit on-premises consumption for all business offering food or beverages (Ex. A).
13. Executive Order No. 7 went into effect on March 16, 2020 at 9:00 p.m. and was set to expire on March 30, 2020 (Ex. A).
14. On March 20, 2020, Illinois Governor J.B. Pritzker issued Executive Order No. 10 also known as the Stay at Home order. A copy of which is attached hereto as Exhibit B.
15. Executive Order No. 10 specifically ordered that all non-essential businesses and operations must cease all activities. Dine-in restaurants and bars were not defined as essential businesses (Ex. B).
16. On April 1, 2020, Illinois Governor J.B. Pritzker issued Executive Order No. 18. A copy of which is attached hereto as Exhibit C.
17. Executive Order No. 18 extended the March 20, 2020 Stay at Home order through April 30, 2020 (Ex. C).
18. On April 30, 2020, Illinois Governor J.B. Pritzker issued Executive Order No. 33. A copy of which is attached hereto as Exhibit D.
19. Executive Order No. 33 extended most provisions of the Stay at Home order through May 29, 2020 (Ex. D).

20. Executive Order No. 33 extended the suspension of dine-in restaurants and bars through May 29, 2020 (Ex. D).
21. Plaintiff is a restaurant/bar business and was ordered closed and out of business since March 16, 2020 at 9:00 p.m. by the Executive Orders.
22. Due to the existence of the Executive Orders issued by Illinois Governor J.B. Pritzker that ordered the closing of non-essential businesses, including restaurants, the Insured Property is not able to function as intended by Plaintiff and Defendant. Plaintiff lost the use of the Insured Property for dine-in services and as a result, Plaintiff is not able to provide dine-in services at the Insured Property, and has necessarily had to suspend business activities occurring at the Insured Property.
23. Plaintiff's loss of use of the Insured Property and Insured Property inability to function as intended by Plaintiff and Defendant is a direct physical loss. As a result of this direct physical loss, Plaintiff suffered loss of business income, incurred extra expense to minimize the suspension of business and continue their operations, and suffered other losses and damages.

### **POLICY**

24. On or about February 20, 2020, Defendant entered into a contract of insurance with Plaintiff in the event of a covered loss or damage.
25. On or about February 20, 2020, Defendant issued Plaintiff a UltraFlex Package insurance policy ("Policy") bearing policy number Q38 20550905. The Policy has an effective date of February 20, 2020 to February 20, 2021. A copy of the Policy in Plaintiff's possession is attached hereto as Exhibit E. A certified copy of the Policy is in the exclusive control of Defendant, and Plaintiff expects Defendant will produce the certified copy in discovery.



26. At all times material the Policy was in full force and effect and provided coverage to Plaintiff.
27. The Policy contains an UltraFlex Commercial Property Coverage Part. (Ex. E at 1).
28. Under Section 1 – Coverages and heading Insuring Agreement, the Policy states that “[w]e will pay for direct physical loss of or damage to covered property at the premises described in the ‘Declarations’ caused by or resulting from a peril insured against.” (Ex. E at 1).
29. Section II – Perils Insured Against under heading Covered Cause of Loss, states the Policy insures against “direct physical ‘loss’, except ‘loss’ as excluded or limited in this policy.” (Ex. E at 6).
30. Section I of the Policy contains Additional Income Protection – Coverage 3. Additional Income Protection means loss of “income” and/or “rental income” you sustain due to partial or total “interruption of business” resulting directly from “loss” or damage to property on the premises described in the “Declarations” from a peril insured against. (Ex. E at 3).
31. The Policy also provides for extra expenses incurred as a result of “loss” or damage to property, and states in part:
- We will pay necessary actual and necessary “extra expenses” (other than the expense to repair or replace property) sustained by you to: (1) Avoid or minimize the “interruption of business” and to continue your business operations.
- (Ex. E at 3).
32. The Policy defines “Extra Expense” in part as:
- [N]ecessary expenses you incur due to partial or total “interruption of business” resulting directly from “loss” or damage to property on the premises described in the “Declarations” from a peril insured against.

(Ex. E at 3).

33. The Policy also provides for coverage of loss of income and extra expense under a “civil authority” provision, and states in part:

When a peril insured against causes damage to property other than property at the premises described in the “Declarations”, we will pay for the actual loss of “income” and/or “rental income” you sustain and necessary “extra expense” caused by action of civil authority that prohibits access to the premises described in the “Declarations” provided that both of the following apply:

- a. Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the premises described in the “Declarations” are within that area but are not more than one mile from the damaged property; and
- b. The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the peril insured against that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority coverage for “income” will begin 72 hours after the time of the first action of civil authority that prohibits access to the premises described in the “Declarations” and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority coverage for “extra expense” will begin immediately after the time of the first action of civil authority that prohibits access to the premises described in the “Declarations” and will end:

- a. Four consecutive weeks after the date of that action; or
- b. When your Civil Authority coverage for “income” and/or “rental income” ends;

whichever is later.

(Ex. E at 5).

34. The Policy also has an Extension of Coverage for loss of “income” or “rental income” for Contingent Business Interruption provision, and states in part:

We will pay up to \$25,000 for your contingent income meaning loss of "income" and/or "rental income" you sustain due to partial or total "interruption of business" resulting directly from "loss" or damage to building(s) or business personal property of "dependent properties" from a peril insured against.

(Ex. E at 22)

35. The Policy defines "dependent properties" in part as:

[P]remises operated by others whom you depend on in any way for continuation of your normal business operations. The "dependent properties" are:

- a. Contributing Locations which mean those premises you depend on as a source of materials or services that you need for your operations. Services do not include water, communication, power supply, or waste water removal services;
- b. Recipient Locations which mean those premises you depend on as a customer for your products or services;
- c. Manufacturing Locations which mean those premises you depend on to manufacture products for your customers under contract or sale; or
- d. Leader Locations which mean those premises you depend on to attract customers to your business.

"Dependent properties" do not include roads, bridges, tunnels, waterways, airfields, pipelines, or any other similar areas or structures.

"Interruption of business" for contingent business interruption means the period of time that your business is suspended and it:

- a. Begins with the date of direct "loss" or damage to the "dependent property" caused by a peril insured against; and
- b. Ends on the date when the "dependent property" should be repaired, rebuilt, or replaced with reasonable speed and similar quality.

(Ex. E at 23).

36. The Policy's "Exclusions" are listed on Exhibit D at pages 6-10.
37. The Policy also has an Exclusion for "[a]ny virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness, or disease." (Ex. E at 9).
38. The Policy's Exclusion of Loss Due to Virus or Bacteria does not apply to the business losses incurred by Plaintiff here because they are proximately caused by the COVID-19 Executive Orders issued in response to the COVID-19 pandemic.
39. The actions and prohibitions by Illinois Governor J.B. Pritzker, and his COVID-19 Executive Orders, are actions and prohibitions by a civil authority.
40. The COVID-19 Executive Orders constitute a prohibition of access to Plaintiff's Covered Property.
41. The COVID-19 Executive Orders trigger coverage under the terms of the Policy.
42. The Policy provides coverage to Plaintiff for any current and future civil authority closure of its business due to physical loss or damage directly or indirectly from the COVID-19 pandemic under the civil authority coverage parameters.
43. The Policy provides business income coverage in the event that the COVID-19 pandemic directly or indirectly causes a loss or damage at the insured premises or immediate area of the Covered Property.
44. Plaintiff faithfully paid policy premiums to Defendant to provide all coverage included in the Policy.
45. Pursuant to the terms of the Policy, Defendant agreed to pay Plaintiff for Plaintiff's losses detailed herein.

**BREACH OF CONTRACT**

46. During the Policy period of February 20, 2020 to February 20, 2021, Plaintiff sustained direct physical loss to Covered Property from a covered cause of loss. Plaintiff also sustained a covered cause of loss resulting from an act or decision of a person or governmental body, and Plaintiff's loss is therefore a covered ensuing loss. Plaintiff also sustained a covered cause of loss resulting from an act or prohibition of a civil authority, and Plaintiff's loss is therefore a covered ensuing loss. Plaintiff also suffered loss of business income and extra expense, in addition to other losses and damages.
47. Plaintiff notified Defendant of its losses.
48. Plaintiff complied with all conditions precedent to entitle Plaintiff to recover under the Policy, or Defendant waived compliance with such conditions.
49. Defendant has failed to provide the coverages for Plaintiff's losses and has failed to pay for all of Plaintiff's losses. Defendant has denied all coverage for Plaintiff's claim. A copy of Defendant's denial letter of March 26, 2020 is attached as Exhibit F.
50. Defendant's failure to pay for Plaintiff's covered losses is a material breach of contract.
51. Defendant further breached its contract with Plaintiff by:
- a. Failing to fully investigate the loss;
  - b. Conducting a biased and outcome-oriented investigation of the loss;
  - c. Not promptly paying Plaintiff all benefits owed as a result of the covered loss;
  - d. Failing to pay for all consequential damage; and
  - e. Not putting Plaintiff in the position it would have been in had Defendant timely performed all of its contractual duties.
52. As a direct and proximate result of Defendant's breach of contract, Plaintiff:

- a. Suffered and will continue to suffer loss of business income and extra expenses;
- b. Incurred and will incur in the future loss of business income and extra expenses;
- c. Suffered and will continue to suffer consequential damages;
- d. is entitled to an award of prejudgment interest, taxable costs, and investigatory fees;  
and
- e. Incurred other expenses as a result of Defendant's breach of contract.

WHEREFORE, Plaintiff, JOIANNA, INC. d/b/a Tannins Wine Bar, prays for judgment against Defendant, ERIE INSURANCE EXCHANGE, for:

- a. Actual damages;
- b. Attorney's fees and costs;
- c. Prejudgment and postjudgment interest; and
- d. Any further and additional relief as the Court may deem to be appropriate.

Respectfully submitted,  
AGRUSS LAW FIRM, LLC

By: /s/ Taylor L. Kosla  
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**EXHIBIT A**



**FILED**  
INDEX DEPARTMENT  
MAR 16 2020  
IN THE OFFICE OF  
SECRETARY OF STATE

March 16, 2020

Executive Order 2020 – 07

**EXECUTIVE ORDER IN RESPONSE TO COVID-19**  
**(COVID-19 EXECUTIVE ORDER NO. 5)**

**WHEREAS**, in late 2019, a new and significant outbreak of Coronavirus Disease 2019 (COVID-19) emerged; and,

**WHEREAS**, COVID-19 is a novel severe acute respiratory illness that can spread among people through respiratory transmissions and present with symptoms similar to those of influenza; and,

**WHEREAS**, certain populations are at higher risk of experiencing more severe illness as a result of COVID-19, including older adults and people who have serious chronic medical conditions such as heart disease, diabetes, or lung disease; and,

**WHEREAS**, despite efforts to contain COVID-19, the World Health Organization and the Centers for Disease Control (CDC) indicate that it is expected to spread; and,

**WHEREAS**, in communities with confirmed COVID-19 cases, the CDC currently recommends mitigation measures, including practicing social distancing, staying at home when sick, staying home when a household member is sick with respiratory disease symptoms or when instructed to do so by public health officials or a health care provider, and keeping away from others who are sick; and,

**WHEREAS**, the CDC currently recommends the cancellation or postponement of in-person events that consist of 50 people or more; and,

**WHEREAS**, social distancing, which consists of maintain at least a six-foot distance between people, is the paramount strategy for minimizing the spread of COVID-19 in our communities; and,



**WHEREAS**, current testing availability has identified further spread of confirmed cases throughout the State of Illinois, and it is expected that increased testing capacity would demonstrate that COVID-19 is circulating in communities across Illinois that currently have not identified a confirmed case; and,

**WHEREAS**, the number of suspected COVID-19 cases in Illinois is increasing exponentially and across more locations in Illinois, indicating that drastic social distancing measures are needed, even in communities where confirmed cases have not yet been identified, to reduce the number of people who become sick at any given time and the possibility of exhausting our health care resources; and,

**WHEREAS**, the ongoing spread of COVID-19 and the danger the virus poses to the public's health and wellness require the reduction of on-premises consumption of food and beverages; and

**WHEREAS**, State agencies have been directed to temporarily reduce activities and workforce to core mission functions and essential operations, encouraging working remotely where possible; and,

**WHEREAS**, the Liquor Control Act of 1934, 235 ILCS 5, "shall be liberally construed, to the end that the health, safety, and welfare of the People of the State of Illinois shall be protected"; and,

**WHEREAS**, I, JB Pritzker, Governor of Illinois, declared all counties in the State of Illinois as a disaster area on March 9, 2020 ("Gubernatorial Disaster Proclamation"); and,

**WHEREAS**, on March 11, 2020, the World Health Organization characterized the COVID-19 outbreak as a pandemic; and,

**WHEREAS**, it is necessary and appropriate for the State of Illinois to immediately take measures to protect the public's health in response to this COVID-19 outbreak;

**THEREFORE**, by the powers vested in me as the Governor of the State of Illinois, and pursuant to Sections 7(1), 7(2), 7(3), and 7(8) of the Illinois Emergency Management Agency Act, 20 ILCS 3305, I hereby order the following:

Section 1. Beginning March 16, 2020 at 9 p.m. through March 30, 2020, all businesses in the State of Illinois that offer food or beverages for on-premises consumption—including restaurants, bars, grocery stores, and food halls—must suspend service for and may not permit on-premises consumption. Such businesses are permitted and encouraged to serve food and beverages so that they may be consumed off-premises, as currently permitted by law, through means such as in-house delivery, third-party delivery, drive-through, and curbside pick-up. In addition, customers may enter the premises to purchase food or beverages for carry-out. However, establishments offering food or beverages for carry-out, including food trucks, must ensure that they have an environment where patrons maintain adequate social distancing. Businesses located in airports, hospitals, and dining halls in colleges and universities are exempt from the requirements of this Executive Order. Hotel restaurants may continue to provide room service and carry-out. Catering services may continue.

Section 2. Beginning March 18, 2020, all public and private gatherings in the State of Illinois of 50 people or more are prohibited for the duration of the Gubernatorial Disaster Proclamation. A public or private gathering includes community, civic, public leisure, faith-based events, sporting events with spectators, concerts, conventions, and any similar event or activity that brings

Section 3. Pursuant to Sections 7(2) and 7(3) of the Illinois Emergency Management Act, the Illinois State Police, the Illinois Department of Public Health, the State Fire Marshal, and the Illinois Liquor Control Commission are directed to cooperate with one another and to use available resources to enforce the provisions of this Executive Order with respect to entities under their jurisdiction under Illinois law.

Section 4. Nothing in this Executive Order shall amend or supersede the authority of the Illinois Department of Public Health pursuant to Section 2310-15 of the Department of Public Health Powers and Duties Law, 20 ILCS 2310/2310-15.

Section 5. During the duration of the Gubernatorial Disaster Proclamation, the provision of the Unemployment Insurance Act, 820 ILCS 405/500(D), requiring a one-week waiting period for unemployment insurance claims is suspended for claimants who are unemployed and who are otherwise eligible for unemployment insurance benefits.

Section 6. During the duration of the Gubernatorial Disaster Proclamation, the provisions of the Open Meetings Act, 5 ILCS 120, requiring or relating to in-person attendance by members of a public body are suspended. Specifically, (1) the requirement in 5 ILCS 120/2.01 that "members of a public body must be physically present" is suspended; and (2) the conditions in 5 ILCS 120/7 limiting when remote participation is permitted are suspended. Public bodies are encouraged to postpone consideration of public business where possible. When a meeting is necessary, public bodies are encouraged to provide video, audio, and/or telephonic access to meetings to ensure members of the public may monitor the meeting, and to update their websites and social media feeds to keep the public fully apprised of any modifications to their meeting schedules or the format of their meetings due to COVID-19, as well their activities relating to COVID-19.



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JB Pritzker, Governor

Issued by the Governor March 16, 2020  
Filed by the Secretary of State March 16, 2020

**FILED**  
INDEX DEPARTMENT  
MAR 16 2020  
IN THE OFFICE OF  
SECRETARY OF STATE

**EXHIBIT B**



March 20, 2020

Executive Order 2020-10

**EXECUTIVE ORDER IN RESPONSE TO COVID-19**  
**(COVID-19 EXECUTIVE ORDER NO. 8)**

**WHEREAS**, I, JB Pritzker, Governor of Illinois, declared all counties in the State of Illinois as a disaster area on March 9, 2020 (Gubernatorial Disaster Proclamation) in response to the outbreak of Coronavirus Disease 2019 (COVID-19); and,

**WHEREAS**, in a short period of time, COVID-19 has rapidly spread throughout Illinois, necessitating updated and more stringent guidance from federal, state, and local public health officials; and,

**WHEREAS**, for the preservation of public health and safety throughout the entire State of Illinois, and to ensure that our healthcare delivery system is capable of serving those who are sick, I find it necessary to take additional measures consistent with public health guidance to slow and stop the spread of COVID-19;

**WHEREAS**, COVID-19 has resulted in significant economic impact, including loss of income and wages, that threaten to undermine housing security and stability;

**WHEREAS**, the enforcement of eviction orders for residential premises is contrary to the interest of preserving public health and ensuring that individuals remain in their homes during this public health emergency;

**THEREFORE**, by the powers vested in me as the Governor of the State of Illinois, and pursuant to Sections 7(1), 7(2), 7(8), 7(10), and 7(12) of the Illinois Emergency Management Agency Act, 20 ILCS 3305, and consistent with the powers in public health laws, I hereby order the following, effective March 21, 2020 at 5:00 pm and for the remainder of the duration of the Gubernatorial Disaster Proclamation, which currently extends through April 7, 2020:

**Section 1. Stay at Home; Social Distancing Requirements; and Essential Businesses and Operations**

1. **Stay at home or place of residence.** With exceptions as outlined below, all individuals currently living within the State of Illinois are ordered to stay at home or at their place of

such shelter available as soon as possible and to the maximum extent practicable (and to use in their operation COVID-19 risk mitigation practices recommended by the U.S. Centers for Disease Control and Prevention (CDC) and the Illinois Department of Public Health (IDPH)). Individuals whose residences are unsafe or become unsafe, such as victims of domestic violence, are permitted and urged to leave their home and stay at a safe alternative location. For purposes of this Executive Order, homes or residences include hotels, motels, shared rental units, shelters, and similar facilities.

2. **Non-essential business and operations must cease.** All businesses and operations in the State, except Essential Businesses and Operations as defined below, are required to cease all activities within the State except Minimum Basic Operations, as defined below. For clarity, businesses may also continue operations consisting exclusively of employees or contractors performing activities at their own residences (i.e., working from home).

All Essential Businesses and Operations are encouraged to remain open. To the greatest extent feasible, Essential Businesses and Operations shall comply with Social Distancing Requirements as defined in this Executive Order, including by maintaining six-foot social distancing for both employees and members of the public at all times, including, but not limited to, when any customers are standing in line.

3. **Prohibited activities.** All public and private gatherings of any number of people occurring outside a single household or living unit are prohibited, except for the limited purposes permitted by this Executive Order. Pursuant to current guidance from the CDC, any gathering of more than ~~ten~~ people is prohibited unless exempted by this Executive Order. Nothing in this Executive Order prohibits the gathering of members of a household or residence.

All places of public amusement, whether indoors or outdoors, including but not limited to, locations with amusement rides, carnivals, amusement parks, water parks, aquariums, zoos, museums, arcades, fairs, children's play centers, playgrounds, funplexes, theme parks, bowling alleys, movie and other theaters, concert and music halls, and country clubs or social clubs shall be closed to the public.

This Executive Order supersedes Section 2 of Executive Order 2020-07 (COVID-19 Executive Order No. 5), which prohibited gatherings of 50 people or more.

4. **Prohibited and permitted travel.** All travel, including, but not limited to, travel by automobile, motorcycle, scooter, bicycle, train, plane, or public transit, except Essential Travel and Essential Activities as defined herein, is prohibited. People riding on public transit must comply with Social Distancing Requirements to the greatest extent feasible. This Executive Order allows travel into or out of the State to maintain Essential Businesses and Operations and Minimum Basic Operations.
5. **Leaving the home for essential activities is permitted.** For purposes of this Executive Order, individuals may leave their residence only to perform any of the following Essential Activities:

- a. **For health and safety.** To engage in activities or perform tasks essential to their



to work from home, and products necessary to maintain the safety, sanitation, and essential operation of residences.

- c. **For outdoor activity.** To engage in outdoor activity, provided the individuals comply with Social Distancing Requirements, as defined below, such as, by way of example and without limitation, walking, hiking, running, or biking. Individuals may go to public parks and open outdoor recreation areas. However, playgrounds may increase spread of COVID-19, and therefore shall be closed.
  - d. **For certain types of work.** To perform work providing essential products and services at Essential Businesses or Operations (which, as defined below, includes Healthcare and Public Health Operations, Human Services Operations, Essential Governmental Functions, and Essential Infrastructure) or to otherwise carry out activities specifically permitted in this Executive Order, including Minimum Basic Operations.
  - e. **To take care of others.** To care for a family member, friend, or pet in another household, and to transport family members, friends, or pets as allowed by this Executive Order.
6. **Elderly people and those who are vulnerable as a result of illness should take additional precautions.** People at high risk of severe illness from COVID-19, including elderly people and those who are sick, are urged to stay in their residence to the extent possible except as necessary to seek medical care. Nothing in this Executive Order prevents the Illinois Department of Public Health or local public health departments from issuing and enforcing isolation and quarantine orders pursuant to the Department of Public Health Act, 20 ILCS 2305.
7. **Healthcare and Public Health Operations.** For purposes of this Executive Order, individuals may leave their residence to work for or obtain services through Healthcare and Public Health Operations.

Healthcare and Public Health Operations includes, but is not limited to: hospitals; clinics; dental offices; pharmacies; public health entities, including those that compile, model, analyze and communicate public health information; pharmaceutical, pharmacy, medical device and equipment, and biotechnology companies (including operations, research and development, manufacture, and supply chain); organizations collecting blood, platelets, plasma, and other necessary materials; licensed medical cannabis dispensaries and licensed cannabis cultivation centers; reproductive health care providers; eye care centers, including those that sell glasses and contact lenses; home healthcare services providers; mental health and substance use providers; other healthcare facilities and suppliers and providers of any related and/or ancillary healthcare services; and entities that transport and dispose of medical materials and remains.

Specifically included in Healthcare and Public Health Operations are manufacturers, technicians, logistics, and warehouse operators and distributors of medical equipment, personal protective equipment (PPE), medical gases, pharmaceuticals, blood and blood products, vaccines, testing materials, laboratory supplies, cleaning, sanitizing,

8. **Human Services Operations.** For purposes of this Executive Order, individuals may leave their residence to work for or obtain services at any Human Services Operations, including any provider funded by the Illinois Department of Human Services, Illinois Department of Children and Family Services, or Medicaid that is providing services to the public and including state-operated, institutional, or community-based settings providing human services to the public.

Human Services Operations includes, but is not limited to: long-term care facilities; all entities licensed pursuant to the Child Care Act, 225 ILCS 10, except for day care centers, day care homes, group day care homes, and day care centers licensed as specified in Section 12(s) of this Executive Order; residential settings and shelters for adults, seniors, children, and/or people with developmental disabilities, intellectual disabilities, substance use disorders, and/or mental illness; transitional facilities; home-based settings to provide services to individuals with physical, intellectual, and/or developmental disabilities, seniors, adults, and children; field offices that provide and help to determine eligibility for basic needs including food, cash assistance, medical coverage, child care, vocational services, rehabilitation services; developmental centers; adoption agencies; businesses that provide food, shelter, and social services, and other necessities of life for economically disadvantaged individuals, individuals with physical, intellectual, and/or developmental disabilities, or otherwise needy individuals.

Human Services Operations shall be construed broadly to avoid any impacts to the delivery of human services, broadly defined.

9. **Essential Infrastructure.** For purposes of this Executive Order, individuals may leave their residence to provide any services or perform any work necessary to offer, provision, operate, maintain and repair Essential Infrastructure.

Essential Infrastructure includes, but is not limited to: food production, distribution, and sale; construction (including, but not limited to, construction required in response to this public health emergency, hospital construction, construction of long-term care facilities, public works construction, and housing construction); building management and maintenance; airport operations; operation and maintenance of utilities, including water, sewer, and gas; electrical (including power generation, distribution, and production of raw materials); distribution centers; oil and biofuel refining; roads, highways, railroads, and public transportation; ports; cybersecurity operations; flood control; solid waste and recycling collection and removal; and internet, video, and telecommunications systems (including the provision of essential global, national, and local infrastructure for computing services, business infrastructure, communications, and web-based services).

Essential Infrastructure shall be construed broadly to avoid any impacts to essential infrastructure, broadly defined.

10. **Essential Governmental Functions.** For purposes of this Executive Order, all first responders, emergency management personnel, emergency dispatchers, court personnel, law enforcement and corrections personnel, hazardous materials responders, child protection and child welfare personnel, housing and shelter personnel, military, and other governmental employees working for or to support Essential Businesses and Operations

This Executive Order does not apply to the United States government. Nothing in this Executive Order shall prohibit any individual from performing or accessing Essential Governmental Functions.

11. **Businesses covered by this Executive Order.** For the purposes of this Executive Order, covered businesses include any for-profit, non-profit, or educational entities, regardless of the nature of the service, the function it performs, or its corporate or entity structure.
12. **Essential Businesses and Operations.** For the purposes of this Executive Order, Essential Businesses and Operations means Healthcare and Public Health Operations, Human Services Operations, Essential Governmental Functions, and Essential Infrastructure, and the following:<sup>1</sup>
  - a. **Stores that sell groceries and medicine.** Grocery stores, pharmacies, certified farmers' markets, farm and produce stands, supermarkets, convenience stores, and other establishments engaged in the retail sale of groceries, canned food, dry goods, frozen foods, fresh fruits and vegetables, pet supplies, fresh meats, fish, and poultry, alcoholic and non-alcoholic beverages, and any other household consumer products (such as cleaning and personal care products). This includes stores that sell groceries, medicine, including medication not requiring a medical prescription, and also that sell other non-grocery products, and products necessary to maintaining the safety, sanitation, and essential operation of residences and Essential Businesses and Operations;
  - b. **Food, beverage, and cannabis production and agriculture.** Food and beverage manufacturing, production, processing, and cultivation, including farming, livestock, fishing, baking, and other production agriculture, including cultivation, marketing, production, and distribution of animals and goods for consumption; licensed medical and adult use cannabis dispensaries and licensed cannabis cultivation centers; and businesses that provide food, shelter, and other necessities of life for animals, including animal shelters, rescues, shelters, kennels, and adoption facilities;
  - c. **Organizations that provide charitable and social services.** Businesses and religious and secular nonprofit organizations, including food banks, when providing food, shelter, and social services, and other necessities of life for economically disadvantaged or otherwise needy individuals, individuals who need assistance as a result of this emergency, and people with disabilities;
  - d. **Media.** Newspapers, television, radio, and other media services;
  - e. **Gas stations and businesses needed for transportation.** Gas stations and auto-supply, auto-repair, and related facilities and bicycle shops and related facilities;
  - f. **Financial institutions.** Banks, currency exchanges, consumer lenders, including but not limited, to payday lenders, pawnbrokers, consumer installment lenders and sales finance lenders, credit unions, appraisers, title companies, financial markets, trading and futures exchanges, affiliates of financial institutions, entities



- h. **Critical trades.** Building and Construction Tradesmen and Tradeswomen, and other trades including but not limited to plumbers, electricians, exterminators, cleaning and janitorial staff for commercial and governmental properties, security staff, operating engineers, HVAC, painting, moving and relocation services, and other service providers who provide services that are necessary to maintaining the safety, sanitation, and essential operation of residences, Essential Activities, and Essential Businesses and Operations;
- i. **Mail, post, shipping, logistics, delivery, and pick-up services.** Post offices and other businesses that provide shipping and delivery services, and businesses that ship or deliver groceries, food, alcoholic and non-alcoholic beverages, goods or services to end users or through commercial channels;
- j. **Educational institutions.** Educational institutions—including public and private pre-K-12 schools, colleges, and universities—for purposes of facilitating distance learning, performing critical research, or performing essential functions, provided that social distancing of six-feet per person is maintained to the greatest extent possible. This Executive Order is consistent with and does not amend or supersede Executive Order 2020-05 (COVID-19 Executive Order No. 3) or Executive Order 2020-06 (COVID-19 Executive Order No. 4) except that affected schools are ordered closed through April 7, 2020;
- k. **Laundry services.** Laundromats, dry cleaners, industrial laundry services, and laundry service providers;
- l. **Restaurants for consumption off-premises.** Restaurants and other facilities that prepare and serve food, but only for consumption off-premises, through such means as in-house delivery, third-party delivery, drive-through, curbside pick-up, and carry-out. Schools and other entities that typically provide food services to students or members of the public may continue to do so under this Executive Order on the condition that the food is provided to students or members of the public on a pick-up and takeaway basis only. Schools and other entities that provide food services under this exemption shall not permit the food to be eaten at the site where it is provided, or at any other gathering site due to the virus's propensity to physically impact surfaces and personal property. This Executive Order is consistent with and does not amend or supersede Section 1 of Executive Order 2020-07 (COVID-19 Executive Order No. 5) except that Section 1 is ordered to be extended through April 7, 2020;
- m. **Supplies to work from home.** Businesses that sell, manufacture, or supply products needed for people to work from home;
- n. **Supplies for Essential Businesses and Operations.** Businesses that sell, manufacture, or supply other Essential Businesses and Operations with the support or materials necessary to operate, including computers, audio and video electronics, household appliances; IT and telecommunication equipment; hardware, paint, flat glass; electrical, plumbing and heating material; sanitary

- p. **Home-based care and services.** Home-based care for adults, seniors, children, and/or people with developmental disabilities, intellectual disabilities, substance use disorders, and/or mental illness, including caregivers such as nannies who may travel to the child's home to provide care, and other in-home services including meal delivery;
  - q. **Residential facilities and shelters.** Residential facilities and shelters for adults, seniors, children, and/or people with developmental disabilities, intellectual disabilities, substance use disorders, and/or mental illness;
  - r. **Professional services.** Professional services, such as legal services, accounting services, insurance services, real estate services (including appraisal and title services);
  - s. **Day care centers for employees exempted by this Executive Order.** Day care centers granted an emergency license pursuant to Title 89, Section 407.400 of the Illinois Administrative Code, governing Emergency Day Care Programs for children of employees exempted by this Executive Order to work as permitted. The licensing requirements for day care homes pursuant to Section 4 of the Child Care Act, 225 ILCS 10/4, are hereby suspended for family homes that receive up to 6 children for the duration of the Gubernatorial Disaster Proclamation.
  - t. **Manufacture, distribution, and supply chain for critical products and industries.** Manufacturing companies, distributors, and supply chain companies producing and supplying essential products and services in and for industries such as pharmaceutical, technology, biotechnology, healthcare, chemicals and sanitization, waste pickup and disposal, agriculture, food and beverage, transportation, energy, steel and steel products, petroleum and fuel, mining, construction, national defense, communications, as well as products used by other Essential Businesses and Operations.
  - u. **Critical labor union functions.** Labor Union essential activities including the administration of health and welfare funds and personnel checking on the well-being and safety of members providing services in Essential Businesses and Operations – provided that these checks should be done by telephone or remotely where possible.
  - v. **Hotels and motels.** Hotels and motels, to the extent used for lodging and delivery or carry-out food services.
  - w. **Funeral services.** Funeral, mortuary, cremation, burial, cemetery, and related services.
13. **Minimum Basic Operations.** For the purposes of this Executive Order, Minimum Basic Operations include the following, provided that employees comply with Social Distancing Requirements, to the extent possible, while carrying out such operations:

- a. Any travel related to the provision of or access to Essential Activities, Essential Governmental Functions, Essential Businesses and Operations, or Minimum Basic Operations.
- b. Travel to care for elderly, minors, dependents, persons with disabilities, or other vulnerable persons.
- c. Travel to or from educational institutions for purposes of receiving materials for distance learning, for receiving meals, and any other related services.
- d. Travel to return to a place of residence from outside the jurisdiction.
- e. Travel required by law enforcement or court order, including to transport children pursuant to a custody agreement.
- f. Travel required for non-residents to return to their place of residence outside the State. Individuals are strongly encouraged to verify that their transportation out of the State remains available and functional prior to commencing such travel.

15. **Social Distancing Requirements.** For purposes of this Executive Order, Social Distancing Requirements includes maintaining at least six-foot social distancing from other individuals, washing hands with soap and water for at least twenty seconds as frequently as possible or using hand sanitizer, covering coughs or sneezes (into the sleeve or elbow, not hands), regularly cleaning high-touch surfaces, and not shaking hands.

- a. **Required measures.** Essential Businesses and Operations and businesses engaged in Minimum Basic Operations must take proactive measures to ensure compliance with Social Distancing Requirements, including where possible:
  - i. **Designate six-foot distances.** Designating with signage, tape, or by other means six-foot spacing for employees and customers in line to maintain appropriate distance;
  - ii. **Hand sanitizer and sanitizing products.** Having hand sanitizer and sanitizing products readily available for employees and customers;
  - iii. **Separate operating hours for vulnerable populations.** Implementing separate operating hours for elderly and vulnerable customers; and
  - iv. **Online and remote access.** Posting online whether a facility is open and how best to reach the facility and continue services by phone or remotely.

16. **Intent of this Executive Order.** The intent of this Executive Order is to ensure that the maximum number of people self-isolate in their places of residence to the maximum extent feasible, while enabling essential services to continue, to slow the spread of COVID-19 to the greatest extent possible. When people need to leave their places of residence, whether to perform Essential Activities, or to otherwise facilitate authorized

body from ordering (1) any quarantine or isolation that may require an individual to remain inside a particular residential property or medical facility for a limited period of time, including the duration of this public health emergency, or (2) any closer of a specific location for a limited period of time, including the duration of this public health emergency. Nothing in this Executive Order shall, in any way, alter or modify any existing legal authority allowing a county or local government body to enact provisions that are stricter than those in this Executive Order.

## **Section 2. Order ceasing evictions.**

Pursuant to the Illinois Emergency Management Agency Act, 20 ILCS 3305/7(2), (8), and (10), all state, county, and local law enforcement officers in the State of Illinois are instructed to cease enforcement of orders of eviction for residential premises for the duration of the Gubernatorial Disaster Proclamation. No provision contained in this Executive Order shall be construed as relieving any individual of the obligation to pay rent, to make mortgage payments, or to comply with any other obligation that an individual may have under tenancy or mortgage.

## **Section 3. Savings clause.**

If any provision of this Executive Order or its application to any person or circumstance is held invalid by any court of competent jurisdiction, this invalidity does not affect any other provision or application of this Executive Order, which can be given effect without the invalid provision or application. To achieve this purpose, the provisions of this Executive Order are declared to be severable.

  
JB Pritzker, Governor

Issued by the Governor March 20, 2020

Filed by the Secretary of State March 20, 2020

**FILED**  
INDEX DEPARTMENT  
MAR. 20 2020  
IN THE OFFICE OF  
SECRETARY OF STATE

## **EXHIBIT C**



April 1, 2020

Executive Order 2020-18

**EXECUTIVE ORDER IN RESPONSE TO COVID-19**  
**(COVID-19 EXECUTIVE ORDER NO. 16)**

WHEREAS, Coronavirus 2019 (COVID-19) is a novel severe acute respiratory illness that can spread among people through respiratory transmissions and present with symptoms similar to those of influenza; and,

WHEREAS, on March 11, 2020, the World Health Organization characterized the COVID-19 outbreak as a pandemic; and,

WHEREAS, despite efforts to contain COVID-19, the World Health Organization (WHO) and the federal Centers for Disease Control and Prevention (CDC) have declared that it is expected to spread; and,

WHEREAS, certain populations are at higher risk of experiencing more severe illness as a result of COVID-19, including older adults and people who have serious chronic medical conditions such as heart disease, diabetes, or lung disease; and,

WHEREAS, in a short period of time, COVID-19 has rapidly spread throughout Illinois, necessitating updated and more stringent guidance from federal, state, and local public health officials; and,

WHEREAS, social distancing, which requires maintaining at least a six-foot distance between people, is a paramount strategy for minimizing the spread of COVID-19 in our communities; and,

WHEREAS, current testing availability has identified further spread of confirmed cases throughout the State of Illinois, and it is expected that increased testing capacity would demonstrate that COVID-19 is circulating in communities across Illinois that currently have not identified a confirmed case; and,

WHEREAS, the number of suspected COVID-19 cases in Illinois is increasing exponentially and across more locations in Illinois, indicating that drastic social distancing measures are needed, even in communities where confirmed cases have not yet been identified, to reduce the number of people who become sick at any given time and the possibility of exhausting our health



WHEREAS, for the preservation of public health and safety throughout the entire State of Illinois, and to ensure that our healthcare delivery system is capable of serving those who are sick, I find it necessary to take additional measures consistent with public health guidance to slow and stop the spread of COVID-19; and,

WHEREAS, I find it necessary to continue and extend the Executive Orders issued to date in response to the outbreak of COVID-19, Executive Orders 2020-03, 2020-04, 2020-05, 2020-06, 2020-07, 2020-08, 2020-09, 2020-10, 2020-11, 2020-12, 2020-13, 2020-14, 2020-15, 2020-16, and 2020-17, and hereby incorporate the WHEREAS clauses of those Executive Orders;

THEREFORE, by the powers vested in me as the Governor of the State of Illinois, pursuant to Sections 7(1), 7(2), 7(3), 7(8), 7(9), and 7(12) of the Illinois Emergency Management Agency Act, 20 ILCS 3305, and consistent with the powers in public health laws, I hereby order the following:

**Part 1: Continuing and Extending Prior Executive Orders.**

Executive Orders 2020-03, 2020-04, 2020-05, 2020-06, 2020-07, 2020-08, 2020-09, 2020-10, 2020-11, 2020-12, 2020-13, 2020-14, 2020-15, 2020-16, and 2020-17 hereby are continued and extended by this Executive Order 2020-18 as follows:

**Executive Order 2020-04 (Closure of James R. Thompson Center; Waiver of Sick Leave Requirement for State Employees):**

Section 1. Beginning March 16, 2020, the James R. Thompson Center located at 100 W. Randolph Street, Chicago, Illinois, is closed for the duration of the Gubernatorial Disaster Proclamations to members of the public, except as necessary for the conduct of state business, to obtain services from a state agency or constitutional office, or to operate a business located in the James R. Thompson Center. This closure does not affect public access to businesses located on the ground floor in the James R. Thompson Center through exterior entrances, except as otherwise specified in this Order.

Section 2. Beginning March 13, 2020, the two-year continuous service requirement for state employees to receive advancement of sick leave pursuant to Title 80, Section 303.110 of the Illinois Administrative Code Personnel Rules, is suspended during the duration of the Gubernatorial Disaster Proclamations.

**Executive Orders 2020-05 and 2020-06 (School Closures):**

Executive Orders 2020-05 and 2020-06 are continued and extended in their entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

**Executive Order 2020-07 (Suspension of on-premises consumption at restaurants and bars; Unemployment insurance; Open Meetings Act):**

Section 1. Beginning March 16, 2020 at 9 p.m. through April 30, 2020, all businesses in the State of Illinois that offer food or beverages for on-premises consumption—including restaurants, bars, grocery stores, and food halls—must suspend service for and may not permit on-premises consumption. Such businesses are permitted and encouraged to serve food and beverages so that they may be consumed off-premises, as currently permitted by law, through means such as in-house delivery, third-party delivery, drive-through, and

Marshal, and the Illinois Liquor Control Commission are directed to cooperate with one another and to use available resources to enforce the provisions of this Executive Order with respect to entities under their jurisdiction under Illinois law.

Section 3. Nothing in this Executive Order shall amend or supersede the authority of the Illinois Department of Public Health pursuant to Section 2310-15 of the Department of Public Health Powers and Duties Law, 20 ILCS 2310/2310-15.

Section 4. During the duration of the Gubernatorial Disaster Proclamations, the provision of the Unemployment Insurance Act, 820 ILCS 405/500(D), requiring a one-week waiting period for unemployment insurance claims is suspended for claimants who are unemployed and who are otherwise eligible for unemployment insurance benefits.

Section 5. During the duration of the Gubernatorial Disaster Proclamations, the provisions of the Open Meetings Act, 5 ILCS 120, requiring or relating to in-person attendance by members of a public body are suspended. Specifically, (1) the requirement in 5 ILCS 120/2.01 that “members of a public body must be physically present” is suspended; and (2) the conditions in 5 ILCS 120/7 limiting when remote participation is permitted are suspended. Public bodies are encouraged to postpone consideration of public business where possible. When a meeting is necessary, public bodies are encouraged to provide video, audio, and/or telephonic access to meetings to ensure members of the public may monitor the meeting, and to update their websites and social media feeds to keep the public fully apprised of any modifications to their meeting schedules or the format of their meetings due to COVID-19, as well their activities relating to COVID-19.

**Executive Order 2020-08 (Secretary of State Operations):**

Executive Order 2020-08 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through **April 30, 2020**.

**Executive Order 2020-09 (Telehealth):**

Executive Order 2020-09 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through **April 30, 2020**.

**Executive Order 2020-10 (Stay at Home; Social distancing; Evictions ceased):**

Executive Order 2020-10 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through **April 30, 2020**.

**Executive Order 2020-11 (Revisions to Executive Orders 2020-05 and 2020-10; Department of Corrections notification period):**

Executive Order 2020-11 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through **April 30, 2020**.

**Executive Order 2020-12 (Health care worker background checks; Department of Juvenile Justice notification period; Coal Mining Act):**

Executive Order 2020-12 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through **April 30, 2020**.



Executive Order 2020-14 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

Executive Order 2020-14, Section 2, Paragraphs (h) and (i) hereby are amended and revised as follows:

- h. The signatory must transmit by overnight mail, fax, or electronic means a legible copy of the entire signed document directly to the witness no later than the day after the document is signed;
- i. The witness must sign the transmitted copy of the document as a witness and transmit the signed copy of the document back via overnight mail, fax, or electronic means to the signatory within 24 hours of receipt; and

**Executive Order 2020-15 (Suspending provisions of the Illinois School Code):**

Executive Order 2020-15 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

**Executive Order 2020-16 (Repossession of vehicles; suspension of classroom training requirement for security services):**

Executive Order 2020-16 is continued and extended in its entirety for the duration of the Gubernatorial Disaster Proclamations, which currently extends through April 30, 2020.

**Executive Orders 2020-03 and 2020-17 (Cannabis deadlines and applications):**

Section 1. The application submission deadlines in the Cannabis Regulation and Tax Act and implementing regulations for submitting applications by March 16, 2020, which previously were suspended pursuant to Executive Order 2020-03 and extended through March 30, 2020, and extended through Executive Order 2020-17 to April 7, 2020, hereby are suspended as follows:

- a. The March 16, 2020, deadline for submission of craft grower license applications pursuant to Title 8, Section 1300.300(b) of the Illinois Administrative Code, which was extended through Executive Order 2020-03 to March 30, 2020, and extended through Executive Order 2020-17 to April 7, 2020, is extended to April 30, 2020; and
- b. The March 16, 2020, deadline for submission of infuser license applications pursuant to Section 35-5(b) of the Cannabis Regulation and Tax Act, 410 ILCS 705/35-5(b) and Title 8, Section 1300.400(b) of the Illinois Administrative Code, which was extended through Executive Order 2020-03 to March 30, 2020, and extended through Executive Order 2020-17 to April 7, 2020, is extended to April 30, 2020; and
- c. The March 16, 2020, deadline for submission of transporter license applications pursuant to Section 40-5(b) of the cannabis Regulation and Tax Act, 40 ILCS 705/40-5(b) and Title 8, Section 1300.510(b)(1)(A) of the Illinois Administrative Code, which was extended through Executive Order 2020-03 to March 30, 2020, and extended through Executive Order 2020-17 to April 7, 2020, is extended to April 30, 2020.

Illinois Department of Agriculture  
c/o Bureau of Medicinal Plants  
P.O. Box 19281  
Springfield, IL 62794-9281 USA

**Part 2: Savings Clause.** If any provision of this Executive Order or its application to any person or circumstance is held invalid by any court of competent jurisdiction, this invalidity does not affect any other provision or application of this Executive Order, which can be given effect without the invalid provision or application. To achieve this purpose, the provisions of this Executive Order are declared to be severable.

  
JB Pritzker, Governor

Issued by the Governor April 1, 2020  
Filed by the Secretary of State April 1, 2020

FILED  
INDEX DEPARTMENT

APR 01 2020

IN THE OFFICE OF  
SECRETARY OF STATE

## **EXHIBIT D**



SPRINGFIELD, ILLINOIS

FILED  
INDEX DEPARTMENT

MAY 06 2020

IN THE OFFICE OF  
SECRETARY OF STATE  
CORRECTED  
Executive Order 2020-33

April 30, 2020

**EXECUTIVE ORDER IN RESPONSE TO COVID-19**  
**(COVID-19 EXECUTIVE ORDER NO. 31)**

WHEREAS, protecting the health and safety of Illinoisans is among the most important functions of State government; and,

WHEREAS, Coronavirus Disease 2019 (COVID-19) is a novel severe acute respiratory illness that has spread among people through respiratory transmissions, the World Health Organization declared COVID-19 a Public Health Emergency of International Concern on January 30, 2020, and the United States Secretary of Health and Human Services declared that COVID-19 presents a public health emergency on January 27, 2020; and,

WHEREAS, as the virus has progressed through Illinois, the crisis facing the State has developed and now requires an evolving response to ensure hospitals, health care professionals and first responders are able to meet the health care needs of all Illinoisans and in a manner consistent with CDC guidance that continues to be updated; and,

WHEREAS, I declared all counties in the State of Illinois as a disaster area on April 30, 2020 because the current circumstances in Illinois surrounding the spread of COVID-19, including the devastating impacts to the health and lives of people throughout the State, the threatened shortages of hospital beds, ICU beds, ventilators, and PPE, and the critical need for increased COVID-19 testing capacity, constitute an epidemic emergency and a public health emergency; and,

WHEREAS, in response to the epidemic emergency and public health emergency described above, I find it necessary to re-issue Executive Orders 2020-03, 2020-04, 2020-05, 2020-06, 2020-07, 2020-08, 2020-09, 2020-11, 2020-12, 2020-13, 2020-14, 2020-15, 2020-16, 2020-17, 2020-19, 2020-20, 2020-21, 2020-22, 2020-23, 2020-24, 2020-25, 2020-26, 2020-27, 2020-28, 2020-29, 2020-30, and 2020-31, and hereby incorporate the WHEREAS clauses of those Executive Orders;

THEREFORE, by the powers vested in me as the Governor of the State of Illinois, pursuant to the Illinois Constitution and Sections 7(1), 7(2), 7(3), 7(8), 7(9), and 7(12) of the Illinois Emergency Management Agency Act, 20 ILCS 3305, and consistent with the powers in public

**Executive Order 2020-04 (Closure of James R. Thompson Center; Waiver of Sick Leave Requirement for State Employees):**

Sections 2 and 3 of Executive Order 2020-04 are re-issued and extended through May 29, 2020.

**Executive Orders 2020-05 and 2020-06 (School Closures):**

Executive Orders 2020-05 and 2020-06 are re-issued in their entirety and extended through May 29, 2020.

**Executive Order 2020-07 (Suspension of on-premises consumption at restaurants and bars; Unemployment insurance; Open Meetings Act):**

Sections 1, 3, 4, 5, and 6, as amended below, of Executive Order 2020-07 are re-issued and extended through May 29, 2020.

Section 6. During the duration of the Gubernatorial Disaster Proclamation and through May 29, 2020, the provisions of the Open Meetings Act, 5 ILCS 120, requiring or relating to in-person attendance by members of a public body are suspended. Specifically, (1) the requirement in 5 ILCS 120/2.01 that “members of a public body must be physically present” is suspended; and (2) the conditions in 5 ILCS 120/7 limiting when remote participation is permitted are suspended. The provision of the Illinois Finance Authority Act that “[a]ll meetings shall be conducted at a single location within the State with a quorum of members physically present at this location,” 20 ILCS 3501/801-25, is suspended through May 29, 2020. The provision of the Illinois Administrative Code that a meeting of the Concealed Carry Licensing Review Board that requires a “quorum is in attendance at a meeting” as a condition for when “Commissioners may attend telephonically or electronically,” 20 Ill. Admin. Code 2900.110(c), is suspended through May 29, 2020.

Public bodies, including those listed specifically above, are encouraged to postpone consideration of public business where possible. When a meeting is necessary, public bodies are encouraged to provide video, audio, and/or telephonic access to meetings to ensure members of the public may monitor the meeting, and to update their websites and social media feeds to keep the public fully apprised of any modifications to their meeting schedules or the format of their meetings due to COVID-19, as well their activities relating to COVID-19.

**Executive Order 2020-08 (Secretary of State Operations):**

Executive Order 2020-08 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-09 (Telehealth):**

Executive Order 2020-09 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-11 (Revisions to prior Executive Orders; Department of Corrections notification period):**

Sections 3 and 4 of Executive Order 2020-11 are re-issued and extended through May 29, 2020.



**Executive Order 2020-14 (Notary and witness guidelines):**

Executive Order 2020-14, as amended below, is re-issued in its entirety and extended through May 29, 2020.

Section 2. During the duration of the Gubernatorial Disaster Proclamation related to the outbreak of COVID-19, any act of witnessing required by Illinois law may be completed remotely by via two-way audio-video communication technology, provided that:

- a. The two-way audio-video communication technology must allow for direct, contemporaneous interaction between the individual signing the document (“the signatory”) and the witness by sight and sound;
- b. The two-way audio-video communication technology must be recorded and preserved by the signatory or the signatory’s designee for a period of at least three years;
- c. The signatory must attest to being physically located in Illinois during the two-way audio-video communication;
- d. The witness must attest to being physically located in Illinois during the two-way audio-video communication;
- e. The signatory must affirmatively state on the two-way audio-video communication what document the signatory is signing;
- f. Each page of the document being witnessed must be shown to the witness on the two-way audio-video communication technology in a means clearly legible to the witness and initialed by the signatory in the presence of the witness;
- g. The act of signing must be captured sufficiently up close on the two-way audio-video communication for the witness to observe;
- h. The signatory must transmit by overnight mail, fax, or electronic means a legible copy of the entire signed document directly to the witness no later than the day after the document is signed;
- i. The witness must sign the transmitted copy of the document as a witness and transmit the signed copy of the document back via overnight mail, fax, or electronic means to the signatory within 24 hours of receipt; and,
- j. If necessary, the witness may sign the original signed document as of the date of the original execution by the signatory provided that the witness receives the original signed document together with the electronically witnessed copy within thirty days from the date of the remote witnessing.

**Executive Order 2020-15 (Suspending provisions of the Illinois School Code):**

Executive Order 2020-15 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-16 (Repossession of vehicles; suspension of classroom training requirement for security services):**

Executive Order 2020-16 is re-issued in its entirety and extended through May 29, 2020.

**Executive Orders 2020-03 and 2020-17 (Cannabis deadlines and applications):**

Executive Orders 2020-03 and 2020-17, as modified by Executive Order 2020-18, are re-issued and shall remain in effect as specified by Executive Order 2020-18.

- i. Facilities licensed, certified, or approved by any State agency and covered by the following: 77 Ill. Admin. Section 1130.215(a)-(f); University of Illinois Hospital Act, 110 ILCS 330; Alternative Health Care Delivery Act, 210 ILCS 3/35(2)-(4); Emergency Medical Services (EMS) Systems Act, 210 ILCS 50; or Department of Veterans' Affairs Act, 20 ILCS 2805;
- ii. State-operated Developmental Centers certified by the federal Centers for Medicare and Medicaid Services and licensed State-operated Mental Health Centers created pursuant to the Mental Health and Developmental Disabilities Administrative Act, 20 ILCS 1705/4;
- iii. Licensed community-integrated living arrangements as defined by the Community-Integrated Living Arrangements Licensing and Certification Act, 210 ILCS 135/2;
- iv. Licensed Community Mental Health Centers as defined in the Community Services Act, 405 ILCS 30;
- v. Federally qualified health centers under the Social Security Act, 42 U.S.C. § 1396d(l)(2)(B); and
- vi. Any government-operated site providing health care services established for the purpose of responding to the COVID-19 outbreak;
- vii. Supportive living facilities certified by the Illinois Department of Healthcare and Family Services pursuant to the Illinois Public Aid Code, 305 ILCS 5/5-5.01(a); and,
- viii. Assisted living establishments and shared housing establishments licensed by the DPH pursuant to the Assisted Living and Shared Housing Act, 210 ILCS 9.

"Health Care Facility" is the singular form of the plural "Health Care Facilities."

- b. "Health Care Professional" means all licensed or certified health care or emergency medical services workers who (i) are providing health care services at a Health Care Facility in response to the COVID-19 outbreak and are authorized to do so; or (ii) are working under the direction of the Illinois Emergency Management Agency (IEMA) or DPH in response to the Gubernatorial Disaster Proclamations.
- c. "Health Care Volunteer" means all volunteers or medical or nursing students who do not have licensure who (i) are providing services, assistance, or support at a Health Care Facility in response to the COVID-19 outbreak and are authorized to do so; or (ii) are working under the direction of IEMA or DPH in response to the Gubernatorial Disaster Proclamations.

Section 8. For purposes of Section 2, rendering assistance by hospitals licensed pursuant to the Illinois Hospital Licensing Act, 210 ILCS 85, must also include accepting a transfer of a COVID-19 patient from another hospital, including hospital inpatients, and state-operated entities (collectively, "transferring entities") that do not have the capacity and capability necessary to provide treatment for a COVID-19 patient. The receiving hospital shall accept such transfer of a COVID-19 patient if it has sufficient capacity and capability necessary to provide treatment for the COVID-19 patient. In determining whether a hospital has sufficient capacity and capability necessary to provide treatment for a COVID-19 patient, the hospital shall consider, at a minimum, its ability to provide safe and effective treatment consistent with current public health recommendations and available supplies, staffing, and medical bed capacity.

Executive Order 2020-20 (Public assistance requirements):

Executive Order 2020-22 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-23 (Actions by the Illinois Department of Financial and Professional Regulation for licensed professionals engaged in disaster response):**

Executive Order 2020-23 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-24 (Illinois Department of Human Services Forensic Treatment Program; investigations of Illinois Department of Human Services employees):**

Executive Order 2020-24 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-25 (Garnishment and wage deductions):**

Executive Order 2020-25 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-26 (Hospital capacity):**

Executive Order 2020-26 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-27 (Cadavers testing positive for COVID-19):**

Executive Order 2020-27 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-28 (Industrial radiography certifications):**

Executive Order 2020-28 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-29 (In-person education or exams for professional insurance licenses):**

Executive Order 2020-29 is re-issued in its entirety and extended through May 29, 2020.

**Executive Order 2020-30 (Filing of residential eviction actions; enforcement of non-residential eviction orders; expired consular identification documents; electronic filings for the Illinois Human Rights Commission):**

Executive Order 2020-30, as amended below, is re-issued in its entirety and extended through May 29, 2020.

Section 3. All state, county, and local law enforcement officers in the State of Illinois are instructed to cease enforcement of orders of eviction for residential and non-residential premises, unless the tenant has been found to pose a direct threat to the health and safety of other tenants, an immediate and severe risk to property, or a violation of any applicable building code, health ordinance, or similar regulation. Nothing in this Executive Order shall be construed as relieving any individual or entity of the obligation to pay rent, to make mortgage payments, or comply with any other obligation that an individual or entity may have pursuant to a lease, ~~or~~ rental agreement, or mortgage. The continued need for this directive shall be evaluated upon issuance of any new Gubernatorial Disaster Proclamation.



**Part 2: Savings Clause.** If any provision of this Executive Order or its application to any person or circumstance is held invalid by any court of competent jurisdiction, this invalidity does not affect any other provision or application of this Executive Order, which can be given effect without the invalid provision or application. To achieve this purpose, the provisions of this Executive Order are declared to be severable.

  
JB Pritzker, Governor

Issued by the Governor April 30, 2020  
Filed by the Secretary of State April 30, 2020

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IN THE OFFICE OF  
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**EXHIBIT E**

ERIE INSURANCE  
ULTRAFLEX PACKAGE  
FX-00-01 (Ed. 01/20) UF-3553

## ULTRAFLEX COMMERCIAL PROPERTY COVERAGE PART

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the "Declarations". The words "we", "us", and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to **Section XI - Definitions**.

### SECTION I - COVERAGES

#### INSURING AGREEMENT

We will pay for direct physical "loss" of or damage to covered property at the premises described in the "Declarations" caused by or resulting from a peril insured against.

#### BUILDING(S) - COVERAGE 1

##### A. Covered Property

Building(s) means buildings described in the "Declarations" and anything permanently attached. It also includes:

1. Building equipment and fixtures servicing the premises;
2. Personal property you have for the service and maintenance of the buildings and premises including, but not limited to the following:
  - a. Fire extinguishing equipment;
  - b. Outdoor furniture;
  - c. Floor coverings;
  - d. Appliances used for refrigerating, ventilating, cooking, dishwashing, or laundering; and
  - e. Flag poles and outdoor lights;
3. Vegetated roofs, including lawns, trees, shrubs, and plants which are part of a vegetated roof;
4. Glass which you own. The glass must be part of the building or in the building described in the "Declarations", including glass in wall cases.

Our payment for "loss" to glass will also include:

- a. Replacement of building glass with safety glazing materials when made necessary by an ordinance or building code;
- b. Replacement of lettering, ornamentation, or burglar alarm foil;

- c. Repair or replacement of frames;
- d. Installation of temporary coverings; and
- e. Removal of obstructions;

5. Exterior signs, lights, and clocks which you own. Exterior signs, lights, and clocks must be permanently attached to the building(s) on the premises described in the "Declarations".

##### B. Property Not Covered

Building(s) does not apply to:

1. Fences, walks, and unattached outbuildings not described in the "Declarations", except as provided in Extensions of Coverage - A.2.;
2. Outdoor swimming pools and equipment pertaining thereto not described in the "Declarations";
3. Bulkheads, pilings, piers, wharves, or docks not described in the "Declarations";
4. Bridges, roadways, patios, or other paved surfaces;
5. Retaining walls that are not part of a building, or not described in the "Declarations";
6. The cost of excavations, grading, backfilling, or filling;
7. Trees, shrubs, lawns, and plants (other than trees, shrubs, lawns, and plants which are part of a vegetated roof), except as provided in Extensions of Coverage - A.8.;
8. Unattached outdoor signs, lights, and clocks except as provided in Extensions of Coverage - A.2.;
9. Underground pipes, flues, or drains;
10. Land (including land on which covered property is located) or water; and
11. Property specifically insured in whole or in part by this or any other insurance.

##### C. Amount of Insurance

The most we will pay for "loss" or damage to any building described in the "Declarations" in any one occurrence is the applicable amount of insurance shown in the "Declarations" for that building subject to the applicable Automatic Adjustment of Coverage Amounts.

**D. Automatic Adjustment of Coverage Amounts**

This policy provides you with a guard against the effect of inflation on construction costs for **Building(s) - Coverage 1**.

We will keep track of costs and at the next policy period we will adjust the amount of your building coverage if necessary. Your premium will be adjusted at each policy period to reflect any change in the amount of insurance.

During the policy period, if there is an increase in construction costs and a "loss" occurs, we will reflect the increase in the amount of insurance for Building(s) - Coverage 1 before making payment. The amount of increase in the amount of insurance will be:

1. The amount of insurance that applied to your covered building(s) on the most recent of: the policy inception date, the policy anniversary date, or any other policy change amending the amount of insurance, times
2. The percentage of annual increase shown in the "Declarations", expressed as a decimal (example: 8% is .08), times
3. The number of days since the beginning of the current policy period or the effective date of the most recent policy change amending the amount of insurance to your covered building(s), divided by 365.

There will be no charge for this additional coverage.

If the amount of insurance shown in the "Declarations" for Building(s) - Coverage 1 is inadequate, these adjustments may not be sufficient to provide full recovery should a "loss" occur.

**BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS - COVERAGE 2****A. Covered Property**

Business Personal Property and Personal Property of Others means:

1. Personal property pertaining to your business, professional or institutional activities, including leased property for which you are contractually responsible;
2. Personal property of others that is in your care, custody, or control;
3. Labor, materials, or services furnished or arranged by you on personal property of others;
4. Your use interest as a tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations, or additions:
  - a. Made a part of the building or structure you occupy but do not own; and
  - b. You acquired or made at your expense but cannot legally remove;
5. Attached exterior signs which you own or which are in your care, custody, or control and for which you are contractually responsible. The attached exterior

signs must be permanently attached to the building on the premises described in the "Declarations"; and

6. Glass which is in your care, custody, or control and for which you are contractually responsible. The glass must be part of the building described in the "Declarations", including glass in wall cases.

Our payment for "loss" to glass will also include:

- a. Replacement of building glass with safety glazing materials when made necessary by an ordinance or building code;
- b. Replacement of lettering, ornamentation, or burglar alarm foil;
- c. Repair or replacement of frames;
- d. Installation of temporary coverings; and
- e. Removal of obstructions.

while in or on the described buildings, or in the open, or in a vehicle, on the premises described in the "Declarations" or within 1,500 feet thereof.

Our payment for "loss" of or damage to personal property of others will only be made to the owner of the property.

**B. Property Not Covered**

Business Personal Property and Personal Property of Others does not apply to:

1. "Automobiles" held for sale;
2. Vehicles or self-propelled machines (including "aircraft" or watercraft) that:
  - a. Can be licensed for use on public roads, except vehicles that are solely used to service the premises described in the "Declarations"; or
  - b. Are operated principally away from the premises described in the "Declarations".

This paragraph does not apply to:

- a. Vehicles or self-propelled machines or "automobiles" you manufacture, process, or warehouse;
- b. Vehicles or self-propelled machines, other than "automobiles", you hold for sale or repair;
- c. Rowboats or canoes out of water at the premises described in the "Declarations"; or
- d. Trailers, but only to the extent provided for in the Extensions of Coverage - **B.22.**;
3. Unattached exterior signs, lights, and clocks, except as provided in Extensions of Coverage - **A.2.**;
4. "Money" and "securities", except as provided in Extensions of Coverage - **B.4., B.6., B.9., B.19., and B.20.**;
5. Your property sold on installment or deferred payment plans after delivery to customers;

6. Household and personal articles of the insured, the insured's partners, members or managers of a limited liability company, the insured's officers, or the insured's employees, except as provided in Extensions of Coverage - **B.23.**;
7. Trees, shrubs, lawns, and plants, except as provided in Extensions of Coverage - **A.9.**;
8. Crops and growing crops while outside of the building(s);
9. Contraband, or property in the course of illegal transportation or trade;
10. "Electronic data" including the cost to research, replace, or restore the information on "electronic data" or magnetic media, except as provided in **Section IV - Additional Coverages - C. 2.**  
  
We will cover "electronic data" which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning, or security systems;
11. The cost to research, replace, or restore the information on valuable papers and records, except as provided in Extensions of Coverage - **B.30.** Valuable papers and records include proprietary information; written, printed, or inscribed documents and records; including books, maps, films, abstracts, drawings, deeds, mortgages, card index systems, and manuscripts;
12. Fine arts, except as provided in Extensions of Coverage - **B.12.** Fine arts include paintings; etchings; pictures; tapestries; rare or art glass; art glass windows; valuable rugs; statuary; sculptures; antique furniture; antique jewelry; porcelains; and similar property of rarity, historic value, or artistic merit;
13. Animals, unless owned by others and boarded by you or if owned by you as stock while inside the building(s) described in the "Declarations";
14. "Mobile equipment":
  - a. While being used or stored away from the premises described in the "Declarations"; or
  - b. While at or being transported to or from job sites away from the premises described in the "Declarations"; and
15. Property specifically insured in whole or in part by this or any other insurance.

### **C. Amount of Insurance**

The most we will pay for "loss" or damage to Business Personal Property and Personal Property of Others on the premises described in the "Declarations" in any one occurrence is the applicable amount of insurance shown in the "Declarations" for Business Personal Property and Personal Property of Others on that premises.

## **ADDITIONAL INCOME PROTECTION - COVERAGE 3**

### **A. Additional Income Protection Coverage**

Income Protection means loss of "income" and/or "rental income" you sustain due to partial or total "interruption of business" resulting directly from "loss" or damage to property on the premises described in the "Declarations" from a peril insured against. "Loss" or damage also includes property in the open, or in a vehicle, on the premises described in the "Declarations" or within 1,500 feet thereof.

If you are a tenant, your premises are the portion of the building described in the "Declarations" which:

1. You rent, lease, or occupy;
2. All routes within the building that service or are used to gain access to the described premises; and
3. The area within 1,500 feet of the premises described in the "Declarations" (with respect to "loss" or damage to covered property in the open or in a vehicle).

You are required to resume normal business operations as promptly as possible and shall use all available means to eliminate any unnecessary delay.

### **B. Extra Expense Coverage**

Extra expense coverage is provided at the premises described in the "Declarations" only if the "Declarations" show that Additional Income Protection Coverage applies to that premises.

"Extra expense" means necessary expenses you incur due to partial or total "interruption of business" resulting directly from "loss" or damage to property on the premises described in the "Declarations" from a peril insured against. "Loss" or damage also includes property in the open, or in a vehicle, on the premises described in the "Declarations" or within 1,500 feet thereof.

We will pay necessary actual and necessary "extra expenses" (other than the expense to repair or replace property) sustained by you to:

1. Avoid or minimize the "interruption of business" and to continue your business operations:
  - a. At the premises described in the "Declarations"; or
  - b. At replacement premises or at temporary locations, including:
    - 1) Relocation expenses; and
    - 2) Costs to equip and operate the replacement premises or temporary locations.
2. Minimize the "interruption of business" if you cannot continue your business operations to the extent it reduces the amount of loss that would have been payable under loss of "income" and/or "rental income".

We will not pay any "loss" or damage to your buildings or business personal property and personal property of others. We also will not pay the cost of research or any other expense to replace or restore your valuable papers and records or "elec-

tronic data". We will pay the extra cost to repair or replace your covered property and the amount to research, replace, or restore the lost information on damaged valuable papers and records or "electronic data" to the extent it reduces the amount of loss that would have been payable under loss of "income" and/or "rental income".

**C. Additional Coverages****1. Civil Authority**

When a peril insured against causes damage to property other than property at the premises described in the "Declarations", we will pay for the actual loss of "income" and/or "rental income" you sustain and necessary "extra expense" caused by action of civil authority that prohibits access to the premises described in the "Declarations" provided that both of the following apply:

- a. Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the premises described in the "Declarations" are within that area but are not more than one mile from the damaged property; and
- b. The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the peril insured against that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority coverage for "income" and/or "rental income" will begin 72 hours after the time of the first action of civil authority that prohibits access to the premises described in the "Declarations" and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority coverage for "extra expense" will begin immediately after the time of the first action of civil authority that prohibits access to the premises described in the "Declarations" and will end:

- a. Four consecutive weeks after the date of that action; or
  - b. When your Civil Authority coverage for "income" and/or "rental income" ends;
- whichever is later.

**2. Full Resumption of Operations**

We will also pay your actual loss of "income" and/or "rental income" for an additional 60 days if your "income" and/or "rental income" after operations are resumed is less than your "income" and/or "rental income" before the loss. The additional amount we will pay will start after the later of the following times:

- a. The date on which the liability for Additional Income Protection - Coverage 3 would terminate if this clause had not been included; or
- b. The date on which repair, replacement, or rebuilding of such part of the damaged or destroyed property described in the "Declarations" is actually completed.

**D. Amount of Insurance**

We will pay the actual loss of "income" and/or "rental income" sustained by you up to the Occurrence Limit shown in the "Declarations".

The "income" and/or "rental income" loss sustained by you shall not exceed:

1. The actual reduction of "income" and/or "rental income", during the "interruption of business"; and
2. The reduction in rents received less charges and expenses which do not necessarily continue during the "interruption of business", or during the period when the tenant cannot inhabit the premises.

We will pay up to \$100 a day, for seven (7) days, after your business is suspended to cover loss of "income" and/or "rental income" sustained by you while you are determining your actual income protection loss. The amount paid will be subtracted from your actual loss of "income" and/or "rental income".

Payment of loss of "income" and/or "rental income" is not limited by the end of the policy period.

Payments under the following coverages will not increase the applicable Occurrence Limit for Additional Income Protection - Coverage 3:

1. Extra Expense Coverage;
2. Civil Authority; or
3. Full Resumption of Operations.

**GLASS AND LETTERING - COVERAGE 4****Covered Property**

Glass and Lettering means for the premium shown in the "Declarations", the deductible does not apply to glass covered under Building(s) - Coverage 1 or Business Personal Property and Personal Property of Others - Coverage 2.

**SIGNS, LIGHTS, AND CLOCKS - COVERAGE 5****Covered Property**

The \$5,000 amount of insurance provided in Extensions of Coverage - Exterior Signs, Lights, and Clocks - A.2. is increased by the amount shown in the "Declarations" for those items that are separately scheduled and are subject to the exclusions listed in Section III - Exclusions and Section VIII - Extensions of Coverage.

The maximum amount of insurance we will pay for any one covered "loss" is the:

1. \$5,000 amount of insurance shown in the Extensions of Coverage - Exterior Signs, Lights, and Clocks - A.2.; and
2. The amount of insurance shown in the "Declarations".

If a deductible amount for Signs, Lights, or Clocks - Coverage 5 is shown in the "Declarations", this deductible amount replaces the \$100 deductible amount shown in Paragraph A.2. of Exterior Signs, Lights, and Clocks of Section VIII - Extensions of Coverage.



**SECTION II - PERILS INSURED AGAINST****BUILDING(S) - COVERAGE 1****BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS - COVERAGE 2****ADDITIONAL INCOME PROTECTION - COVERAGE 3****Covered Cause of Loss**

This policy insures against direct physical "loss", except "loss" as excluded or limited in this policy.

**GLASS AND LETTERING - COVERAGE 4****Covered Cause of Loss**

For Glass and Lettering this policy insures against direct physical "loss" to glass, except fire and scratching, and as excluded or limited in this policy.

**SECTION III - EXCLUSIONS****A. Coverages 1, 2, 3, 4, and 5**

We do not cover under Building(s) - Coverage 1; Business Personal Property and Personal Property of Others - Coverage 2; Additional Income Protection - Coverage 3; Glass and Lettering - Coverage 4; and Signs, Lights, and Clocks - Coverage 5 "loss" or damage caused directly or indirectly by any of the following. Such "loss" or damage is excluded regardless of any cause or event that contributes concurrently or in any sequence to the "loss":

1. Deterioration or depreciation.
2. Intentional loss, meaning any "loss" arising from an act committed by or at the direction of the insured with the intent to cause a "loss".
3. "Loss" or damage caused by or resulting from any of the following:
  - a. By weather conditions, but only if weather conditions contribute in any way with a peril excluded in Part A. of Section III - Exclusions to produce the "loss";
  - b. By acts or decisions, including the failure to act or decide, of anyone;
  - c. By faulty, inadequate, or defective:
    - 1) Planning, zoning, development, surveying;
    - 2) Design, specifications, workmanship, repair, construction, renovating, remodeling, grading, or compaction;
    - 3) Materials used in repair, construction, renovation, or remodeling; or
    - 4) Maintenance;

of property whether on or off the insured premises by anyone, but if "loss" by a peril insured against results, we will pay for the ensuing "loss".

4. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of "loss".
5. Earth Movement
  - a. Earthquake, including tremors and aftershocks, and any earth sinking, rising, or shifting related to such event;
  - b. Landslide, including any earth sinking, rising, or shifting related to such event;
  - c. Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased; or
  - d. Earth sinking (other than sinkhole collapse), rising, or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations, or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil, and the action of water under the ground surface.

This exclusion applies regardless of whether any of the above, in Paragraphs 5.a. through 5.d., is caused by an act of nature or is otherwise caused.

But if Earth Movement, as described in 5.a. through 5.d. above, results in fire, explosion, sprinkler leakage, volcanic action, or building glass breakage, we will pay for the "loss" or damage caused by such perils.

Volcanic action means direct "loss" or damage resulting from the eruption of a volcano when the "loss" or damage is caused by:

- a. Airborne volcanic blast or airborne shock waves;
- b. Ash, dust, or particulate matter; or
- c. Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

This does not include the cost to remove ash, dust, or particulate matter that does not cause direct "loss" to the covered property.

This exclusion does not apply to property being transported.

6. Water
  - a. Flood, surface water, waves, (including tidal water and tsunami), tides, tidal wave, overflow of any body of water or spray from any of these, all whether or not driven by wind (including storm surge);
  - b. Mudslide or mudflow;
  - c. By water or sewage which backs up through sewers or drains, or which enters into and overflows or is otherwise discharged from a sewer, drain, sump pump, sump pump well, or any other

system designed to remove subsurface water which is drained from the foundation area;

- d. Water under the ground surface pressing on, or flowing or seeping through:
  - 1) Foundations, walls, floors, or paved surfaces;
  - 2) Sidewalks or driveways;
  - 3) Basements, whether paved or not; or
  - 4) Doors, windows, or other openings.
- e. Water from a broken water main. However, this exclusion does not apply to water flowing or seeping from a broken water main where the break occurs on the premises described in the "Declarations".
- f. Waterborne material carried or otherwise moved by any of the water referred to in Paragraphs 6.a., 6.c., 6.d., or 6.e. or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs 6.a. through 6.f., is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall, or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if Water, as described in Paragraphs 6.a. through 6.f. results in fire, explosion, sprinkler leakage, volcanic action, or building glass breakage, we will pay for the "loss" or damage caused by such perils.

If electrical "covered equipment" requires drying out because of Paragraphs 6.a. through 6.c., we will pay for the direct expenses of such drying out subject to the applicable Amount of Insurance and deductible for Buildings – Coverage 1 and Business Personal Property and Personal Property of Others – Coverage 2.

This exclusion does not apply to property being transported.

## 7. War

- a. War including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

With respect to any action that comes within the terms of this exclusion and involves nuclear reaction or radiation, or radioactive contamination, this War

exclusion supersedes Paragraph A. 9. of Section III – Exclusions, the nuclear hazard exclusion.

8. Seizure or destruction of covered property by order of governmental authority, except as provided in Extensions of Coverage - B.3. and B.15.

We will also cover "loss" caused by acts of destruction ordered by governmental authority to prevent the spread of a fire.

9. Nuclear reaction or radiation, or radioactive contamination unless fire ensues, and then only for ensuing "loss".
10. By the enforcement of or compliance with any law or ordinance regulating the construction, use, or repair of any property, or requiring the tearing down of any property, including the cost of removing its debris, except as provided in Extensions of Coverage - B.3., B.7., and B.8.
11. The failure of power, communication, water, or other utility service supplied to the insured premises, however caused, if the failure:
  - a. Originates away from the insured premises described in the "Declarations"; or
  - b. Originates at the premises described in the "Declarations", but only if such failure involves equipment used to supply the utility service to the premises described in the "Declarations" from a source away from the premises described in the "Declarations";

except as provided in Section IV. Additional Coverages, D. Equipment Breakdown, 2.h. and 2.i. and Extensions of Coverage - A.5. and A.7., unless a covered "loss" ensues, and then only for ensuing "loss".

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

"Loss" or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular, or satellite network.

Exclusions A.5. through A.11. apply whether or not the loss event results in widespread damage or affects a substantial area.

## B. Coverages 1, 2, and 3

We do not cover under Building(s) - Coverage 1, Business Personal Property and Personal Property of Others - Coverage 2, and Additional Income Protection - Coverage 3 "loss" or damage caused:

1. By:
  - a. Wear and tear, rust, or corrosion;
  - b. Change in flavor, color, texture, or finish;

- c. Damp or dry air;
- d. Inherent vice;
- e. Smog;
- f. Latent or hidden defect;
- g. Marring or scratching;
- h. Smoke, vapor, or gases from agricultural or industrial operations;
- i. Settling, cracking, shrinking, bulging or expansion of pavements, foundations, walls, floors, roofs, or ceilings;
- j. Termites, vermin, insects, rodents, birds (except glass breakage), skunks, raccoons, spiders, or reptiles; or
- k. Mechanical breakdown, including rupture or bursting caused by centrifugal force (except as provided in **Section IV. Additional Coverages, D. Equipment Breakdown Coverage**).

unless a covered "loss" including "accident" or "electronic circuitry impairment" ensues, and then only for ensuing "loss".

- 2. By discharge, dispersal, seepage, migration, release, or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release, or escape is itself caused by a peril insured against. But if "loss" or damage by a peril insured against results from the discharge, dispersal, seepage, migration, release, or escape of "pollutants", we will pay for the resulting damage caused by the peril insured against.
- 3. By mysterious disappearance, unexplained loss, or inventory shortage. We will accept inventory records as a means of proving the amount of a covered "loss".
- 4. By the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot, or bacteria.

But if "fungus", wet or dry rot, or bacteria results in a covered loss from a peril insured against, we will pay for the loss or damage caused by that peril insured against.

This exclusion does not apply:

- a. When "fungus", wet or dry rot, or bacteria results from fire or lightning; or
  - b. To the extent that coverage is provided in **Section IV – Additional Coverages - Limited Coverage For "Fungus", Wet Rot, Dry Rot, And Bacteria** with respect to loss or damage caused by a peril insured against other than fire or lightning.
- 5. By continuous or repeated seepage or leakage of water or the presence or condensation of humidity, moisture, or vapor, that occurs over a period of 14 days or more.

- 6. By freezing due to temperature reduction to plumbing, heating, air conditioning, or other equipment or appliances (except fire protective systems) or by water, other liquids, powder or molten material that leaks or flows from such items while the described building is vacant for more than 60 consecutive days, unless you have exercised reasonable care to:
  - a. Maintain heat in the building; or
  - b. Shut off the water supply and drain the system or appliance of water.
- 7. By collapse, including any of the following conditions of property or any part of the property:
  - a. An abrupt falling down or caving in;
  - b. Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
  - c. Any cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion as such condition relates to a. or b. above.

But if collapse results in a peril insured against at the premises described in the "Declarations", we will pay for the "loss" or damage caused by the peril insured against.

**Exclusion B.7. does not apply:**

- a. To the extent that coverage is provided in **Section IV - Additional Coverages, A. Collapse**; or
- b. To collapse caused by one or more of the following:
  - 1) Fire; lightning; windstorm; hail; explosion; smoke; "aircraft"; vehicles; riot; civil commotion; vandalism or malicious mischief; breakage of building glass; falling objects; weight of snow, ice, or sleet; sinkhole collapse; or volcanic action.

Sinkhole collapse means "loss" caused by sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite.

This peril does not include:

- a) The cost of filling sinkholes, except to the extent that coverage is provided in **Section IV - Additional Coverages A. Collapse**; or
  - b) "Loss" or damage to property caused by or resulting from the sinking or collapse of land into man-made underground cavities;
- 2) Water damage resulting from the accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of plumbing, heating, air conditioning, or other equipment or appliances, but does not include damage from a

sump pump, sump pump well, or any other system designed to remove subsurface water which is drained from the foundation areas;

- 3) Breakage of building glass;
  - 4) Weight of rain that collects on a roof; or
  - 5) Weight of people or personal property.
8. By explosion of, including resulting damage to, steam boilers, steam pipes, steam turbines, or steam engines if owned by, leased by, or operated under your control (except as provided in **Section IV. Additional Coverages, D. Equipment Breakdown Coverage**). We also do not cover damage to these caused by any condition or occurrence within the boilers, pipes, turbines, or engines (except as provided in **Section IV. Additional Coverages, D. Equipment Breakdown Coverage**). We will pay for "loss" from the explosion of gases or fuel within the combustion chamber, flues, or passages of any fired vessel. We will also pay for "loss" by ensuing fire or explosion not included in this paragraph.
9. To hot water boilers or other water heating equipment, caused by a condition or occurrence within the boilers or equipment other than an explosion (except as provided in **Section IV. Additional Coverages, D. Equipment Breakdown Coverage**).
10. By artificially generated electrical current including electric arcing (except as provided in **Section IV. Additional Coverages, D. Equipment Breakdown Coverage**), unless fire or explosion ensues, and then only for ensuing "loss".
11. To the interior of the building or the contents by rain, snow, sand, or dust, whether driven by wind or not, unless the exterior of the building first sustains damage to its roof or walls by a peril insured against. We will pay for "loss" caused by or resulting from the thawing of snow, sleet, or ice on the building.
12. To outdoor radio or television antennas (including satellite dishes) and its lead-in wiring, masts, or towers by windstorm or hail.
13. By dishonest or criminal acts (including theft) committed by you, or any of your members of a limited liability company, or any of your employees (including temporary or leased employees), directors, officers, trustees, or authorized representatives:
- a. Acting alone or in collusion with other persons; or
  - b. While performing services for you or otherwise.
- We will cover acts of destruction by your employees (including temporary or leased employees) but only for ensuing "loss", but there is no coverage for "loss" or damage:
- a. By theft by your employees (including temporary or leased employees) or any person to whom you entrust property for any purpose, whether

acting alone or in collusion with any other party; or

- b. Caused by or resulting from manipulation, including the introduction or enaction of any virus, harmful code, or similar instruction, of a computer system (including "electronic data") by your employees.
14. From any defect, programming error, programming limitation, computer virus, malicious code, loss of "electronic data", loss of access, loss of use, loss of functionality, or other condition within or involving "electronic data" or "media" of any kind, except as provided in **Section IV – Additional Coverages – C.1., C.2., and C.3.**
15. To any merchandise, goods, or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production, or use of the product, including planning, testing, processing, packaging, installation, maintenance, or repair. This exclusion applies to any effect that compromises the form, substance, or quality of the product. But if such error or omission results in a "loss" by a peril insured against, we will pay for the "loss" or damage caused by that peril insured against.
16. By or resulting from any virus, bacterium, or other microorganism that induces or is capable of inducing physical distress, illness, or disease.

### C. Coverage 1

We do not cover under Building(s) - Coverage 1 "loss" or damage caused:

1. To fences, pavements, outdoor swimming pools and related equipment, retaining walls, bulkheads, piers, wharves, or docks, when covered under the policy, by freezing or thawing, impact of watercraft, or by the pressure or weight of ice or water whether driven by wind or not.
2. To building materials and supplies not attached as part of the building, unless held for sale by you, caused by or resulting from theft. We will cover "loss" to building materials and supplies located in the building on the premises described in the "Declarations" caused by a peril insured against including theft. We will pay up to 10% of the Building(s) – Coverage 1 limit but not to exceed \$100,000 for any one "loss".
3. To vegetated roofs for "loss" caused by or resulting from:
  - a. Dampness or dryness of atmosphere or of soil supporting the vegetation;
  - b. Changes in or extremes of temperature;
  - c. Disease;
  - d. Frost or hail; or
  - e. Rain, snow, ice, or sleet.



**D. Coverage 2**

We do not cover under Business Personal Property and Personal Property of Others - Coverage 2 "loss" or damage caused:

1. From your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title or possession of any property.
2. By breakage of glassware, statuary, marble, bric-a-brac, porcelains, and other articles of a fragile or brittle nature. We will cover such "loss" caused by fire; lightning; "aircraft"; explosion; sonic boom; riot; civil commotion; smoke; vehicles; windstorm; hail; vandalism or malicious mischief; falling objects (the exterior of the building must first sustain damage to roof or walls by falling objects); sinkhole collapse; volcanic action; weight of ice, snow, or sleet; sprinkler leakage; or water damage.
3. By rain, snow, or sleet to property in the open.
4. By any legal proceeding.
5. By actual work upon property being altered, repaired, installed, serviced, or faulty materials or workmanship, unless fire ensues, and then only for "loss" through ensuing fire.
6. By delay, loss of use, or loss of market.
7. To property that has been transferred to a person or to a place outside the premises described in the "Declarations" on the basis of unauthorized instructions.
8. By theft of furs and fur garments. We will pay for "loss" of furs and fur garments by "burglary" up to \$10,000 for any one "loss".
9. By theft of gold and other precious metals and alloys. We will pay for theft of any one article of jewelry up to \$500, but our payment will not exceed \$10,000 for any one "loss". Jewelry means jewelry, necklaces, bracelets, rings, earrings, gems, precious and semi-precious stones, articles containing one or more gems, and articles made of gold or other precious metals.

**E. Coverage 3**

We do not cover under Additional Income Protection - Coverage 3:

1. Increase of loss resulting from ordinance or law regulating construction or repair of buildings.
2. Consequential damages resulting from the breach of contractual obligations.
3. Increase of loss caused by or from delay in rebuilding, repairing, or replacing the property or resuming operations, due to interference at the location of the rebuilding, repair, or replacement by strikers or other persons.
4. Loss due to delay or loss of market.

5. Increase of loss caused by or resulting from the suspension, lapse, or cancellation of any license, lease, or contract. We will pay for loss of "income" and/or "rental income" during the "interruption of business" and during the period of Full Resumption of Operations if the suspension, lapse, or cancellation is caused by the suspension of your business.
6. "Extra expense" caused by the suspension, lapse, or cancellation of any license, lease, or contract beyond the "interruption of business".
7. Increase of loss resulting from ordinance or law regulating the prevention, control, repair, clean-up, or restoration of environmental damage.
8. Income protection specifically insured in whole or in part by this or any other insurance.

**SECTION IV - ADDITIONAL COVERAGES****A. Collapse**

The coverage provided under this Additional Coverage - Collapse applies only to an abrupt collapse as described and limited in A.1. through A.7.:

1. For the purpose of this Additional Coverage - Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
2. We will pay for direct physical "loss" or damage to covered property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Part or that contains Covered Property insured under this Coverage Part, if such collapse is caused by one or more of the following:
  - a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
  - b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
  - c. Use of defective material or methods in construction, remodeling, or renovation if the abrupt collapse occurs during the course of construction, remodeling, or renovation; or
  - d. Use of defective material or methods in construction, remodeling, or renovation if the abrupt collapse occurs after the course of the construction, remodeling, or renovation is complete, but only if the collapse is caused in part by:
    - 1) A cause of loss listed in 2.a. and 2.b. above;
    - 2) Fire; lightning; windstorm; hail; explosion; smoke; "aircraft"; vehicles; riot; civil commotion; vandalism or malicious mischief; breakage of building glass; falling objects; weight of snow, ice, or sleet; sinkhole collapse; or volcanic action.

Sinkhole collapse means "loss" caused by sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite.

This peril does not include:

- a) The cost of filling sinkholes except as provided in Paragraph 3. below; or
- b) "Loss" or damage to property caused by or resulting from the sinking or collapse of land into man-made underground cavities;
- 3) Water damage resulting from the accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of plumbing, heating, air conditioning, or other equipment or appliances, but does not include damage from a sump pump, sump pump well, or any other system designed to remove subsurface water which is drained from the foundation areas;
- 4) Breakage of building glass;
- 5) Weight of people or personal property; or
- 6) Weight of rain that collects on a roof.
3. We will pay up to \$20,000 for expenses involved in replacing, stabilizing, refilling, or rebuilding the land necessary to support the building described in the "Declarations" damaged by sinkhole collapse. This payment of \$20,000 is an additional amount of insurance and will increase the total amount of insurance available.
4. This **Additional Coverage - Collapse** does not apply to:
  - a. A building or any part of a building that is in danger of falling down or caving in;
  - b. A part of a building that is standing, even if it has separated from another part of the building; or
  - c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion.
5. With respect to the following property:
  - a. Outdoor radio or television antennas (including satellite dishes) and its lead-in wiring, masts, or towers;
  - b. Awnings, gutters, and downspouts;
  - c. Yard fixtures;
  - d. Outdoor swimming pools;
  - e. Fences;
  - f. Piers, wharves, and docks;
  - g. Beach or diving platforms or appurtenances;
  - h. Retaining walls; and
  - i. Walks, roadways, and other paved surfaces;

if an abrupt collapse is caused by a cause of "loss" listed in 2.a. through 2.d., we will pay for "loss" or

damage to that property listed in 5.a. through 5.i. only if:

- a. Such "loss" or damage is a direct result of the abrupt collapse of a building insured under this Coverage Part; and
- b. The property is Covered Property under this Coverage Part.
6. If business personal property and personal property of others falls down or caves in and such collapse is **not** the result of an abrupt collapse of a building, we will pay for "loss" or damage to insured property caused by such collapse of business personal property and personal property of others only if:
  - a. The collapse of business personal property and personal property of others was caused by a cause of loss listed in 2.a. through 2.d.;
  - b. The business personal property and personal property of others which collapses is inside a building; and
  - c. The property which collapses is not of a kind listed in 5.a. through 5.i., regardless of whether that kind of property is considered to be business personal property or real property.

The coverage stated in this Paragraph 6. does not apply to business personal property and personal property of others if marring and/or scratching are the only damage to that business personal property and personal property of others caused by the collapse.

7. This **Additional Coverage - Collapse** does not apply to business personal property and personal property of others that has not abruptly fallen down or caved in, even if the business personal property and personal property of others shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion. .
8. This **Additional Coverage - Collapse** will not increase the Amounts of Insurance provided in this Coverage Part other than what is provided above in **Section IV – Additional Coverages, Paragraph A. 3.**
9. The term peril insured against includes the **Additional Coverage - Collapse** as described and limited in A.1. through A.7.
- B. Limited Coverage for "Fungus", Wet Rot, Dry Rot, And Bacteria**

1. The coverage described in Paragraphs 2. through 6. below only applies when the "fungus", wet or dry rot, or bacteria is the result of a peril insured against, other than fire and lightning, that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
2. We will pay for loss or damage by "fungus", wet or dry rot, or bacteria. As used in this Limited Coverage, the term loss or damage means:



- a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot, or bacteria, including the cost of removal of the "fungus", wet or dry rot, or bacteria;
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot, or bacteria; and
  - c. The cost of testing performed before, during, or after removal, repair, replacement, or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot, or bacteria are present.
3. The coverage described in Paragraph 2. above of this Limited Coverage is limited to \$25,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences caused by a peril insured against, other than fire and lightning, which takes place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot, or bacteria, we will not pay more than a total of \$25,000 even if the "fungus", wet or dry rot, or bacteria continues to be present, active, or recurs, in a later policy period.
  4. The coverage provided under this Limited Coverage does not increase the applicable Amounts of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot, or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Amounts of Insurance on the affected Covered Property.  
  
If there is a covered "loss" or damage to Covered Property, not caused by "fungus", wet or dry rot, or bacteria, our loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot, or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
  5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Exclusions B. 4. Coverages 1, 2, and 3 in Section III - Exclusions or under Section IV - Additional Coverages - A. Collapse.
  6. The following Paragraphs 6. a. or 6. b. applies only if the "interruption of business" satisfies all terms and conditions of Additional Income Protection - Coverage 3 and Extension of Coverage - Income Protection Coverage.
    - a. If the covered loss which resulted in "fungus", wet or dry rot, or bacteria does not itself necessitate an "interruption of business", but such "interruption of business" is necessary due to loss or damage to covered property caused by "fungus",

wet or dry rot, or bacteria, then we will pay the actual loss of "income" and/or "rental income" sustained by you in a period of not more than 30 days. The days need not be consecutive.

- b. If the "interruption of business" was caused by loss or damage other than "fungus", wet or dry rot, or bacteria but remediation of "fungus", wet or dry rot, or bacteria prolongs the "interruption of business", we will pay the actual loss of "income" and/or "rental income" sustained by you during the delay (regardless of when such a delay occurs during the "interruption of business") in a period of not more than 30 days. The days need not be consecutive.
7. The coverage described under Paragraph 6. of this Limited Coverage is limited to \$25,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss of "income" and/or "rental income" arising out of your "interruption of business" in a 12-month period (starting with the beginning of the present annual policy period). With respects to a particular occurrence of loss which results in "fungus", wet or dry rot, or bacteria, we will not pay more than a total of \$25,000 for loss of "income" and/or "rental income" even if the "fungus", wet or dry rot, or bacteria continues to be present or active, or recurs in a later policy period resulting in an "interruption of business".
  8. This coverage does not apply to lawns, trees, shrubs, or plants which are part of a vegetated roof.

#### **C. Electronic Data Processing Equipment and Electronic Data Coverage**

Payments under this Electronic Data Processing Equipment, Electronic Data Coverage, and Income Protection are an Additional Amount of Insurance and will increase the total amount of insurance available for the coverage involved.

##### **1. Electronic Data Processing Equipment - Computer Virus**

We will cover "loss" or damage to "electronic data processing equipment" caused by magnetic injury or computer virus. We will pay up to \$10,000 for any one "loss" to "electronic data processing equipment".

We do not cover:

- a. "Electronic data processing equipment" which the insured rents or leases to others while it is away from the premises described in the "Declarations".
- b. "Loss" caused by processing operations or "loss" that occurred while the insured property is being worked on unless fire or explosion ensues, and then only for "loss", damage, or expense caused by the ensuing fire or explosion.

"Electronic data processing equipment" means computers, terminals, teleprinters, readers, telephone sys-

tems, computerized cash registers, word processing equipment, and equipment and parts related to the processing unit.

"Electronic data processing equipment" does not include computer operated or controlled production or processing machinery or equipment or a separate computer or computerized control panels used to operate the production or processing machinery or equipment.

We will pay for "loss" to "electronic data processing equipment" which is in excess of the deductible amount shown in the "Declarations".

## **2. Electronic Data – Expenses for Reproduction or Replacement**

We will cover the expenses incurred to reproduce or replace your "electronic data" when destruction or corruption is caused by a peril insured against including loss by theft. This includes your "electronic data" that is destroyed or corrupted by magnetic injury, virus, harmful code, or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupts its normal operation.

Coverage is limited to "electronic data" which is owned by you, or licensed or leased to you, originates and resides in your computers.

This Additional Amount of Insurance does not apply to "electronic data" which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning, or security systems.

"Loss" or damage to "electronic data" will be valued at the cost of reproduction or replacement including the cost of data entry, re-programming, and computer consultation services. But we will not pay the cost to duplicate research that led to the development of your "electronic data".

To the extent that "electronic data" is not reproduced or replaced, the "loss" will be valued at the cost of replacement of the "media" on which "electronic data" was stored, with blank "media" of substantially identical type.

The most we will pay for the expenses incurred in the reproduction or replacement of your "electronic data" is \$25,000.

"Media" means materials on which "electronic data" are recorded, such as magnetic tapes, disc packs, paper tapes, and cards.

We will pay for the expenses incurred in the reproduction or replacement of your "electronic data" which is in excess of the deductible amount shown in the "Declarations".

## **3. Income Protection – Computer Operations**

- a. Additional Income Protection – Coverage 3 is extended to cover your loss of "income" you sustain due to partial or total "interruption of business" resulting directly from an interruption in your computer operations due to your "electronic data" being destroyed or corrupted caused by a peril insured against including loss by theft. This includes your loss of "income" resulting from your "electronic data" that is destroyed or corrupted by magnetic injury, virus, harmful code, or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation.
- b. The most we will pay for your loss of "income" due to "interruption of business" resulting from an interruption to your computer operations in any one policy year, regardless of the number of interruptions or the number of premises, locations, or computer systems involved is \$25,000. If the loss payment relating to the first interruption does not exhaust this amount of insurance, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions during that policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- c. This Income Protection coverage does not apply to loss sustained or expense incurred after the end of the period of restoration even if the \$25,000 amount of insurance has not been exhausted.
- d. Coverage for Income Protection does not apply when "interruption of business" is due to damage or corruption of "electronic data", or any "loss" to "electronic data", except as provided under Paragraphs a. through c. of this Income Protection - Computer Operations.

No deductible applies to Income Protection – Computer Operations.

## **4. Exclusions – Electronic Data – Expenses for Reproduction or Replacement and Income Protection – Computer Operations**

We do not cover under Electronic Data – Expenses for Reproduction or Replacement and Income Protection – Computer Operations:

- a. "Media" and "electronic data" which cannot be replaced with the same kind or quality.
- b. Program support documentation such as flow charts, record formats, or narrative descriptions

unless they are converted to "electronic data" form and then only in that form.

- c. "Loss" caused by errors or omissions or deficiency in design, specifications, materials, or workmanship, unless fire or explosion ensues, and then only for "loss", damage, or expense caused by the ensuing fire or explosion.
- d. "Loss" caused by errors or omissions in programming or processing operations or "loss" that occurred while the insured property is being worked on unless fire or explosion ensues, and then only for "loss", damage, or expense caused by the ensuing fire or explosion.
- e. "Loss" or damage caused by or resulting from manipulation, including the introduction or enactment of any virus, harmful code, or similar instruction of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair, or replace that system.

#### **D. Equipment Breakdown Coverage**

The term Covered Cause of Loss in **Section II – Perils Insured Against** includes the **Additional Coverage – Equipment Breakdown Coverage** as described and limited below. Without an "accident" or "electronic circuitry impairment", there is no Equipment Breakdown Coverage. This **Additional Coverage – Equipment Breakdown Coverage** is subject to the policy deductible shown in the "Declarations".

- 1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident" or "electronic circuitry impairment". We will consider "electronic circuitry impairment" to be physical damage to "covered equipment".
- 2. The following coverages also apply to the direct result of an "accident" or "electronic circuitry impairment". However, with respect to **Off-Premises Utility Properties Failure** below and **Section VIII - Extensions of Coverage – B. 5. Contingent Business Interruption** coverages provided in this Coverage Part, coverage will only apply to the direct result of an "accident" and will not apply to the direct result of an "electronic circuitry impairment". These coverages do not provide additional amounts of insurance

##### **a. Ammonia Contamination**

If Covered Property is contaminated by ammonia as a result of an "accident" or "electronic circuitry impairment", we will pay up to \$25,000 including salvage expense for any one "loss".

##### **b. Electronic Data Restoration**

- 1) We will pay for your reasonable and necessary cost to research, replace, and restore lost "electronic data".
- 2) We will pay up to \$50,000 for loss or expense under this coverage, including actual loss of "income" and/or "rental income" you sustain due to partial or total "interruption of business" and necessary "extra expense" you incur.

##### **c. Expediting Expenses**

With respect to your damaged Covered Property, we will pay up to \$25,000 for the reasonable extra cost to:

- 1) Make temporary repairs; and
- 2) Expedite permanent repairs or permanent replacement.

##### **d. Hazardous Substances**

- 1) We will pay your additional cost to repair or replace Covered Property because of contamination by a "hazardous substance". This includes the additional expenses to clean up or dispose of such property.
- 2) This does not include contamination of Covered Property by refrigerant, including but not limited to ammonia, which is addressed in Paragraph 2.a. above. As used in this coverage, additional costs mean those beyond what would have been payable under this coverage had no "hazardous substance" been involved.
- 3) We will pay up to \$25,000 for "loss", damage or expense under this coverage, including actual loss of "income" and "rental income" you sustain due to partial or total "interruption of business" and necessary "extra expense" you incur.

##### **e. Off Premises Equipment Breakdown**

- 1) We will pay for physical damage to transportable "covered equipment" that, at the time of the "accident" or "electronic circuitry impairment", is at a location you do not own, lease or operate. As respects to this Off Premises Equipment Breakdown coverage only, the "accident" or "electronic circuitry impairment" may occur in the United States, its territories and possessions, Puerto Rico, and Canada.
- 2) We will also pay for your reasonable and necessary cost to research, replace, and restore lost "electronic data" contained within "covered equipment" as described under Paragraph 1) above. This amount may not exceed the limit applicable to Electronic Data Restoration.

- 3) We will pay up to \$25,000 for "loss" or damage under this coverage as described in Paragraphs 1) and 2) above.
- f. Off-Premises Utility Properties Failure
  - 1) Any insurance provided for Income Protection and Extra Expense for Electronic Data Restoration as described in Paragraph 2.b. above or Refrigerated Property as described in Paragraph 2. h. below is extended to apply to your loss, damage, or expense caused by a failure or disruption of service to the premises described in the "Declarations". The failure or disruption of service must be caused by an "accident" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility, or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, Internet access, telecommunications services, "cloud computing services", wide area networks, or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.
  - 2) "Cloud computing services" must be provided by a professional provider with whom you have a contract.
  - 3) With respect to the Electronic Data Restoration portion of this Off-Premises Utility Properties Failure coverage, coverage will also apply to "electronic data" stored in the equipment of a provider of "cloud computing services".
  - 4) Any insurance provided for Income Protection or Electronic Data Restoration will not apply under this Off-Premises Utility Properties Failure coverage unless the failure or disruption of service exceeds 24 hours immediately following the "accident". If the interruption exceeds 24 hours, coverage will begin at the time of the disruption, and the applicable deductible will apply.
  - 5) The most we will pay in any "one equipment breakdown" for loss, damage, or expense under this coverage is the applicable limit for Electronic Data Restoration as described in Paragraph 2. b. above or Refrigerated Property as described in Paragraph 2. h. below. The most we will pay in any "one equipment breakdown" for loss of "income" you sustain and "extra expense" you incur under Income Protection – Coverage 3 is \$25,000.
- g. Public Relations
  - 1) This coverage only applies if you have sustained an actual loss of "income" covered under this **Additional Coverage – Equipment Breakdown Coverage**.
- 2) We will pay for your reasonable costs for professional services to create and disseminate communications, when the need for such communications arises directly from the interruption of your business. This communication must be directed to one or more of the following:
  - a) The "media";
  - b) The public; or
  - c) Your customers, clients or members.
- 3) Such costs must be incurred during the period of restoration or up to 30 days after the period of restoration has ended.
- 4) We will pay up to \$5,000 for loss or expense under this coverage.
- h. Refrigerated Property
 

Business Personal Property and Personal Property of Others – Coverage 2 covers "loss" to the contents of refrigeration equipment on the insured premises.
- i. Temperature Change
 

Business Personal Property and Personal Property of Others – Coverage 2 covers "loss" resulting from temperature or humidity change.
3. Equipment Breakdown Coverage Exclusions
 

The following exclusions are in addition to the exclusions in **Section III – Exclusions**:

  - a. We will not pay for "loss", damage or expense caused directly or indirectly by any of the following, whether or not caused by or resulting from an "accident" or "electronic circuitry impairment":
    - 1) Fire, including smoke from a fire;
    - 2) Explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the passages from that furnace to the atmosphere;
    - 3) Any other explosion, except as specifically covered under this Additional Coverage – Equipment Breakdown Coverage;
    - 4) Vandalism;
  - b. Coverage under this Additional Coverage – Equipment Breakdown Coverage does not apply to an "accident" or "electronic circuitry impairment" caused by or resulting from:
    - 1) Lightning;
    - 2) Windstorm or hail. However, this exclusion does not apply when:
      - a. "Covered equipment" located within a building or structure suffers an "accident" or "electronic circuitry impairment"



- ment" that results from wind-blown rain, snow, sand, or dust; and
- b. The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow, sand, or dust entered.
- 3) Smoke; aircraft or vehicles; riot or civil commotion; sprinkler leakage; elevator collision;
- 4) Breakage of glass; falling objects; weight of snow, ice, or sleet; freezing (caused by cold weather); collapse; or molten material;
- 5) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment;
- 6) An electrical breakdown test of any type of electrical equipment; or
- 7) Water or other means used to extinguish a fire.
- c. With respect to Income Protection Coverage – Coverage 3 including Extra Expense Coverage and Off Premises Utility Properties Failure, we will also not pay for:
  - 1) Loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business; or
  - 2) Any increase in loss resulting from an agreement between you and your customer or supplier.
- d. We will not pay for any "loss" or damage to animals.
- e. Exclusions b. 1), b. 2), b. 3) and b. 4) above shall not apply if:
  - 1) The excluded cause of loss occurs away from any covered premises and causes an electrical surge or other electrical disturbance;
  - 2) Such surge or disturbance is transmitted through utility service transmission lines to the covered location and results in an "accident" or "electronic circuitry impairment"; and
  - 3) The loss, damage, or expense caused by such surge or disturbance is not covered elsewhere under the policy.
- f. Any cause of loss set forth in exclusion b. 6) above that is not a Covered Cause of Loss in this policy shall be excluded only as respects **Section VIII – Income Protection – Off-Premises Utility Properties Failure**.
- 4. Equipment Breakdown Coverage Conditions
  - a. The following conditions are in addition to the conditions in **Section X – Commercial Property Conditions** and Common Policy Conditions:

#### 1) JURISDICTIONAL INSPECTION

If any property that is "covered equipment" under this Additional Coverage – Equipment Breakdown Coverage requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

#### 2) SUSPENSION

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against "loss" from an "accident" or "electronic circuitry impairment" to that "covered equipment". This can be done by delivering or mailing a written notice of suspension to:

- a) Your last known address; or
- b) The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment". If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

#### 3) Environmental, Safety and Efficiency Improvements

If "covered equipment" requires replacement due to an "accident" or "electronic circuitry impairment", we will pay your additional cost to replace with equipment that is better for the environment, safer for people or more energy or water efficient than the equipment being replaced. However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with like kind and quality. This provision does not apply to the replacement of component parts or to any property to which Actual Cash Value applies and does not increase any of the applicable limits.

- b. As respects this Additional Coverage - Equipment Breakdown Coverage only, Section X - Commercial Property Conditions – 20. Valuation is deleted and replaced with the following:

#### Valuation

We will determine the value of Covered Property as follows:

- 1) Except as specified otherwise, our payment for damaged Covered Property will be the smallest of:

- a) The cost to repair the damaged property;
  - b) The cost to replace the damaged property on the same site; or
  - c) The amount you actually spend that is necessary to repair or replace the damaged property.
- 2) The amount of our payment will be based on the most cost-effective means to replace the function, capacity and remaining useful life of the damaged property. This may include the use of generic, used, or reconditioned parts, equipment, or property.
  - 3) Except as described in Paragraph 4) below, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.
  - 4) The following property will be valued on an Actual Cash Value basis:
    - a) Any property that does not currently serve a useful or necessary function for you; and
    - b) Any Covered Property that you do not repair or replace within 24 months after the date of the "accident" or "electronic circuitry impairment".
  - 5) If any one of the following conditions is met, property held for sale by you will be valued at the sales price as if no loss or damage had occurred, less any discounts and expenses that otherwise would have applied:
    - a) The property was manufactured by you;
    - b) The sales price of the property is less than the replacement cost of the property; or
    - c) You are unable to replace the property before its anticipated sale.
  - 6) Except as specifically provided for under Electronic Data Restoration coverage, "electronic data" and "media" will be valued on the following basis:
    - a) For mass-produced and commercially available software, at the replacement cost.
    - b) For all other "electronic data" and "media", at the cost of blank "media" for reproducing the records. We will not pay for "electronic data" representing financial records based on the face value of such records.

The most we will pay for loss, damage, or expense under this **Additional Coverage – Equipment Breakdown Coverage** arising from any "one equipment breakdown" is the applicable Limit of Insurance shown in the Declarations for Buildings – Coverage 1, Business Personal Property and Personal Property

of Others – Coverage 2, and Additional Income Protection – Coverage 3. Coverage provided under this **Additional Coverage – Equipment Breakdown Coverage** does not provide an additional amount of insurance.

## SECTION V - DEDUCTIBLES

1. Building(s) - Coverage 1, Business Personal Property and Personal Property of Others - Coverage 2 and Extensions of Coverage - We will pay the amount of "loss" to property in any one occurrence which is in excess of the deductible amount shown in the "Declarations", unless otherwise stated in the Extensions of Coverage.
2. Theft - We will pay the amount of "loss" to property caused by theft in any one occurrence which is in excess of the deductible amount applying to Building(s) - Coverage 1 and Business Personal Property and Personal Property of Others - Coverage 2 shown in the "Declarations", unless a separate deductible for theft is shown in the "Declarations".
3. When the occurrence involves "loss" to more than one building (or building and business personal property) and separate limits of insurance apply or blanket limits of insurance apply, the losses will not be combined in determining the application of the deductible. The deductible will be applied only once per occurrence.
4. Additional Income Protection - Coverage 3 and Glass and Lettering - Coverage 4 - No deductible applies.

## SECTION VI - SPECIAL LOSS PAYMENTS - COVERAGE 1

Improvements and Betterments Made by Others is subject to special treatment when damaged by a peril insured against:

1. If you pay for repair or replacement, we will pay you the expenses involved not exceeding the replacement cost of damaged property.
2. If repaired or replaced at the expense of others, there is no loss payable to you.
3. If the damaged property is not repaired or replaced by you or at the expense of others, there is no loss payable to you.

## SECTION VII - SPECIAL LOSS PAYMENTS - COVERAGE 2

The following property is subject to special treatment when damaged by a peril insured against:

1. Accounting Books, Records, Tapes, and Recording Media. We will pay you the cost of blank items (books, film, tape, or other written documents). Extensions of Coverage - **B.30.** - Valuable Papers and Records provides for reproduction of these items.



2. **Improvements and Betterments:**

- a. If you pay for repair or replacement, we will pay you the expenses involved not exceeding the replacement cost of damaged property.
- b. If not repaired or replaced, we will pay you a proportion of your original cost. We will determine the proportionate value as follows:
  - 1) Multiply the original cost by the number of days from the "loss" or damage to the expiration of the lease; and
  - 2) Divide the amount determined in 1) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- c. If repaired or replaced at the expense of others, there is no loss payable to you.
3. **Sold Property.** If you have sold property but not delivered it, we will pay you the net selling price.

## SECTION VIII - EXTENSIONS OF COVERAGE

### A. Extensions of Coverage

We will pay the following "losses" at your option. Payments under these Extensions are not an additional amount of insurance and will not increase the total amount of insurance available for the coverage involved.

1. **Exterior Signs, Lights, and Clocks.** We will pay up to \$5,000 for "loss" caused by a peril insured against to lights, clocks, and unattached exterior signs which you own, or for which the lease holds you contractually responsible. We will cover all lights, clocks, and unattached exterior signs on the premises described in the "Declarations".

We will not pay for "loss" caused by:

- a. Wear and tear, gradual deterioration, faulty manufacture or installation, inherent vice, extremes of temperature, dampness of atmosphere, or mechanical breakdown;
- b. Damage to electrical apparatus which is part of covered property caused by electricity other than lightning, except for ensuing fire damage; or
- c. Breakage during installation, repairing or dismantling, or breakage during transportation, unless caused by fire, lightning, collision, derailment or overturn of vehicle.

This extension of coverage applies to each building described in the "Declarations".

The deductible for this extension is \$100.

2. **Fences, Walks, and Unattached Outbuildings - Coverage 1.** We will pay up to \$5,000 for any one "loss" caused by a peril insured against to fences, walks, and unattached outbuildings on the premises described in the "Declarations".

Unattached outbuildings include garages, storage areas and tool sheds, but do not include those buildings used for dwelling purposes.

If specific insurance is carried on any item covered by this extension, then this extension does not apply to that item.

This extension of coverage applies to each building described in the "Declarations".

3. **Merchandise in Shipment.** Business Personal Property and Personal Property of Others - Coverage 2 includes protection for "loss" by a peril insured against to merchandise which you have sold but for which you have not received payment, while in the custody of a common carrier. This extension of coverage only applies when the "loss" is not recoverable from the purchaser, transporter, or any other insurance.
4. **Moving Clause - Business Personal Property and Personal Property of Others - Coverage 2.** When you move, coverage for "loss" to business personal property and personal property of others will apply for 60 days while in transit and at each location. The amount of insurance applying at each location will be the proportion that the value in each such location bears to the total value of Business Personal Property and Personal Property of Others - Coverage 2 covered at the original location. After the completion of your move, the coverage will apply at the new location only.
5. **Refrigerated Property.** Business Personal Property and Personal Property of Others - Coverage 2 covers "loss" to the contents of refrigeration equipment on the insured premises described in the "Declarations" from power failure. "Loss" caused by or resulting from an "accident" or "electronic circuitry impairment" is not covered.  
  
This extension of coverage applies to each building described in the "Declarations".
6. **Replacement Cost Coverage.** After a covered "loss" to your Building(s) - Coverage 1 or Business Personal Property or Personal Property of Others - Coverage 2, you have the option of choosing a replacement cost settlement instead of an actual cash value settlement, thereby eliminating any deduction for depreciation. When you select replacement cost, the Coinsurance Clause (Condition 3.) shall apply as a percentage of the replacement cost rather than the actual cash value of the property.

When adjustment is on a replacement cost basis, we will pay the smallest of the following:

- a. The amount of insurance applicable to the damaged or destroyed property;
- b. The cost of replacement on the same premises with material of like kind and quality and intended for the same use; or
- c. The amount actually spent in repairing or replacing the property.

We will not pay on a replacement cost basis for any "loss" or damage:

- a. Until the lost or damaged property is actually repaired or replaced; or
- b. Unless the repairs or replacement are made as soon as reasonably possible after the "loss" or damage.

We will not pay for "loss" under this Replacement Cost Coverage extension:

- a. Due to any ordinance or law regulating the construction or repair of buildings;
- b. Unless and until the damaged or destroyed property is repaired or replaced as soon as practicable;
- c. To stock (raw, in process, or finished) or merchandise including materials and supplies in connection therewith;
- d. To household furniture or apartment and dwelling contents;
- e. To manuscripts;
- f. To paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glassware, bric-a-brac, or other articles of art, rarity, or antiquity; or
- g. To obsolete property.

If the cost of repair or replacement is less than \$2,500 for any one "loss" to covered property, we will waive the coinsurance requirement and pay the replacement cost for the "loss" or damaged property. We will not pay for replacement cost for the "loss" or damage to property listed in Paragraphs a. through g. shown above under this Extension of Coverage - Replacement Cost Coverage.

If you choose an actual cash value settlement, you can still select a replacement cost settlement if the property is repaired or replaced within 6 months of loss. If you choose a replacement cost settlement, the coinsurance requirement applies on a replacement cost basis.

- 7. **Temperature Change.** Business Personal Property and Personal Property of Others - Coverage 2 covers "loss" resulting from temperature or humidity change. There must first be damage from a peril insured against to the premises described in the "Declarations".

"Loss" resulting from riot and civil commotion is not covered. "Loss" caused by or resulting from an "accident" or "electronic circuitry impairment" is also not covered.

This extension of coverage applies to each building described in the "Declarations".

- 8. **Trees, Shrubs, Lawns, and Plants - Coverages 1 & 2.** We will cover "loss" to trees, shrubs, lawns, and plants (except vegetated roofs) on the premises described in the "Declarations" caused by fire; lightning; explosion; riot or civil commotion; vehicles; "aircraft"; smoke; falling objects; sonic boom; sink-hole collapse; volcanic action; or collapse caused by any of the perils specified in this paragraph.

If trees, shrubs, and plants are inside buildings, on the premises described in the "Declarations" we will also cover "loss" caused by windstorm; hail; weight of snow, ice, or sleet; vandalism or malicious mischief; or temperature change. There must first be damage from a peril insured against to the premises described in the "Declarations".

We will not be liable for more than \$1,000 for any one tree, shrub, or plant, including expenses for removing debris, or \$10,000 for any one "loss", unless trees, shrubs, or plants are held for sale inside buildings, or trees, shrubs, or plants are used for decorative purpose inside the building, in which case the Business Personal Property and Personal Property of Others - Coverage 2 limit applies. We will not be liable for more than \$2,500 for any one "loss" to lawns.

This extension includes expenses for the removal of debris of trees, shrubs, and plants from the premises described in the "Declarations" caused by a peril insured against which are the property of others. If you are a tenant, we will not cover the removal of debris of trees, shrubs, and plants owned by the landlord at the premises described in the "Declarations".

There is no coverage under this policy for trees, shrubs, lawns, and plants grown outside of buildings held for sale.

This extension of coverage applies to each building described in the "Declarations".

- 9. **Water Damage.** If "loss" or damage caused by or resulting from covered water or other liquid, powder, or molten material damage "loss" occurs, we will pay the cost to tear out and replace any part of the building described in the "Declarations" to repair damage to the system or appliance from which the covered water or other liquids, powder, or molten material escapes.

We will not pay for the cost to repair or replace any defect in the system or appliance that caused the "loss" or damage.

This extension of coverage applies to each building described in the "Declarations".

**B. Extensions of Coverage**

Payments under these Extensions of Coverage are an ADDITIONAL AMOUNT of insurance and will increase the total amount of insurance available for the coverage involved.

1. **Accounts Receivable.** This policy covers damage to records of accounts receivable up to \$25,000 for any one "loss" caused by a peril insured against at the premises described in the "Declarations", while being conveyed outside the premises or while temporarily within other premises for any purpose except storage. It covers:

- a. All sums due the insured from customers, provided the insured is unable to collect such sums as the direct result of "loss" to records of accounts receivable;
- b. Interest charges on any loan to offset impaired collections, pending repayments of such sums made uncollectible by such "loss";
- c. Collection expense in excess of normal collection cost which is made necessary because of such "loss"; and
- d. Other expenses, when reasonably incurred by the insured in re-establishing records of accounts receivable following such "loss".

Coverage will also apply while the records of accounts receivable are being moved to and while at a place of safety because of imminent danger of "loss", and while being returned from such place.

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

2. **Arson and Theft Reward.** We will pay up to \$10,000 as a reward to any individual or group for information which results in the arrest and conviction of any person committing an act of arson resulting in damage to covered property or in the arrest and conviction of any person who commits theft of covered property.

The deductible does not apply to this extension.

3. **Building Ordinance or Law Coverage.**

**A. Application of Coverage**

The building ordinance or law coverage applies to **B. Coverage for the Value of the Undamaged Part of the Building** and **C. Coverage for the Increased Cost of Construction** for any building covered by this policy at the premises described in the "Declarations" or for tenant's improvements and betterments as described under business personal property and personal property of others only if Paragraphs A.1. and A.2. below are satisfied and an amount of insurance is shown on the "Declarations" for Build-

ings or for tenant's improvements and betterments an amount of insurance is shown in the "Declarations" for Business Personal Property and Personal Property of Others:

- a. The ordinance or law:

- 1) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the premises described in the "Declarations"; and
- 2) Is in force at the time of "loss"; or the ordinance or law is promulgated or revised after the loss but prior to commencement of reconstruction or repair and provided that such ordinance or law requires compliance as a condition precedent to obtaining a building permit or certificate of occupancy

but coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered.

- b. The building sustains:

- 1) Direct physical damage caused by a peril insured against under this policy and such damage results in enforcement of or compliance with the ordinance or law; or
- 2) Both direct physical damage that is covered under this policy and direct physical damage that is not caused by a peril insured against under this policy, and the building damage in its entirety results in enforcement of or compliance with the ordinance or law;

but if the building sustains direct physical damage that is not caused by a peril insured against under this policy and such damage is the subject of the ordinance or law, then there is no coverage even if the building has also sustained direct physical damage caused by a peril insured against.

This extension of coverage applies to each building described in the "Declarations".

**B. Coverage for the Value of the Undamaged Part of the Building****1. Coverage Agreement**

If the building sustains direct damage caused by a peril insured against, we will pay for the value of the undamaged part of the building caused by enforcement of or compliance with any ordinance or law regulating the construction or repair of building(s) that:

- a. Requires the demolition of the undamaged parts of the building;
- b. Regulates the construction or repair of the building, or establishes zoning or land use requirements at the premises described in the "Declarations"; and
- c. Is in force at the time of "loss" or damage.

Coverage for the Value of the Undamaged Part of the Building is not an additional amount of insurance. Payment is included within the amount of insurance for the covered building described in the "Declarations".

## **2. Loss Payment - Value of the Undamaged Part of the Building**

We will pay for the value of the undamaged portion of the building as a result of any ordinance or law regulating the construction, use, or repair of building(s) as follows:

- a. We will pay the smallest of the following if the covered building is not repaired or rebuilt:
  - 1) The actual cash value of the undamaged part of the building;
  - 2) The amount of insurance shown in the "Declarations" for the building described in the "Declarations";
  - 3) If this policy is endorsed to cover Earthquake and/or Flood as a Covered Cause of Loss, the Amount of Insurance applicable to the building in the event of damage by such Covered Cause of Loss may be lower than the Amount of Insurance that otherwise would apply; or
  - 4) The difference between the amount of insurance on the insured building at the time of "loss" or damage and the amount paid for "loss" to the damaged or destroyed portion of the insured building.
- b. We will pay the smallest of the following if the covered building is being repaired or replaced on the same premises or another premises:
  - 1) The actual cash value for the undamaged part of the building, if the insured building is covered on an actual cash value basis;
  - 2) The replacement cost for the undamaged part of the building if the insured building is covered on a replacement cost basis;
  - 3) The amount of insurance shown in the "Declarations" for the building described in the "Declarations";
  - 4) If this policy is endorsed to cover Earthquake and/or Flood as a Covered

Cause of Loss, the Amount of Insurance applicable to the building in the event of damage by such Covered Cause of Loss may be lower than the Amount of Insurance that otherwise would apply; or

- 5) The difference between the amount of insurance on the insured building at the time of "loss" or damage and the amount paid for "loss" to the damaged or destroyed portion of the insured building.

## **C. Coverage for Increased Cost of Construction**

### **1. Coverage Agreement**

If the building or tenant's improvements and betterments sustain direct physical damage caused by a peril insured against, we will pay up to \$25,000 for the increased cost to:

- a. Repair, replace, or construct the damaged portions of the building or tenant's improvements and betterments; or
- b. Reconstruct or remodel undamaged portions of the building or tenant's improvements and betterments whether or not demolition is required;

caused by enforcement of or compliance with any ordinance or law regulating the construction, use, or repair of buildings. If the building is repaired or replaced, it must be intended for the same use as the current building, unless otherwise required by an ordinance or law. We will not pay for the increased cost of construction if the building is not repaired, replaced, or remodeled.

When a building described in the "Declarations" is damaged or destroyed and increased cost of construction applies to that building in accordance with C.1.a. above, coverage for the increased cost of construction also applies to repairs or reconstruction of the following, subject to the same conditions stated in C.1. a.:

- a. The cost of excavation, grading, backfilling, and filling;
- b. Foundation of the building;
- c. Pilings; and
- d. Underground pipes, flues, and drains.

### **2. Loss Payment - Increased Cost of Construction**

The most we will pay is \$25,000 for the increased cost of construction that results from any building ordinance or law. Payment for the increased cost of construction is an additional amount of insurance.



**D. Building Ordinance or Law - No Coverage**

We will not pay for "loss" due to any ordinance or law:

1. You were required to comply with before the "loss", even if the building was undamaged; and
2. You failed to comply with the ordinance or law.

We will not pay any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot, or bacteria.

Also, we will not pay any costs associated with the enforcement of or compliance with an ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling, or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread, or any activity of "fungus", wet or dry rot, or bacteria.

We will not pay under this endorsement for any loss in value or any cost incurred due to an ordinance or law that you were required to comply with before the time of the current loss, even in the absence of building damage, if you failed to comply.

**4. Check, Credit, Debit, or Charge Card Forgery or Alteration.** We will pay up to \$5,000 for any one "loss" resulting directly from:

- a. Forgery or alteration of credit, debit, or charge cards issued to you or to any employee for business purposes; and
- b. Forgery or alteration of any checks, drafts, promissory notes, or similar written promises, orders, or directions to pay a certain sum in money that are:
  - 1) Made or drawn by or drawn upon you;
  - 2) Made or drawn by one acting as your Agent;
 or that are purported to have been so made or drawn.

We will not pay for "loss" caused by dishonest or criminal acts committed by you, any of your members of a limited liability company, or any of your employees, directors, trustees, or authorized representatives:

- a. Acting alone or in collusion with other persons; or
- b. While performing services for you or otherwise.

We will not pay for any "loss" arising from forgery or alteration of a credit, debit, or charge card if you have

not complied fully with the provisions, conditions, or other terms under which the card was issued.

All "losses" committed by any person, whether acting alone or in collusion with others, are considered one occurrence which is subject to the \$5,000 limit.

If you are sued for refusing to pay any covered instrument on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will also pay for any reasonable legal expense that you incur and pay in that defense. The amount we will pay is in addition to the amount of insurance applicable to this extension. The deductible does not apply to legal expenses.

You must include with your proof of "loss" any instrument involved in that "loss", or, if that is not possible, an affidavit setting forth the amount and cause of "loss".

**Electrical and Mechanical Signatures.** We will treat signatures that are produced or reproduced electronically, mechanically, or by other means same as handwritten signatures.

"Covered instruments" includes checks, drafts, promissory notes, or similar written promises.

"Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own named signed with or without authority, in any capacity, for any purpose.

"Occurrence" means for this coverage only, all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.

This extension applies anywhere in the world.

A \$200 deductible applies to this extension.

**5. Contingent Business Interruption.** We will pay up to \$25,000 for your contingent income meaning loss of "income" and/or "rental income" you sustain due to partial or total "interruption of business" resulting directly from "loss" or damage to building(s) or business personal property of "dependent properties" from a peril insured against.

However, coverage for contingent income does not apply when the only loss to "dependent properties" is "loss" or damage to "electronic data", including destruction or corruption of "electronic data". If the "dependent property" sustains "loss" or damage to "electronic data" and other property, this coverage will not continue once the other property is repaired, rebuilt, or replaced.

We will reduce the amount of your "income" and/or "rental income" loss, other than "extra expense", to the extent you can resume normal operations by using an available:

- a. Source of materials; or
- b. Outlet for your products.

"Dependent property" means premises operated by others whom you depend on in any way for continuation of your normal business operations. The "dependent properties" are:

- a. Contributing Locations which mean those premises you depend on as a source of materials or services that you need for your operations. Services do not include water, communication, power supply, or waste water removal services;
- b. Recipient Locations which mean those premises you depend on as a customer for your products or services;
- c. Manufacturing Locations which mean those premises you depend on to manufacture products for your customers under contract or sale; or
- d. Leader Locations which mean those premises you depend on to attract customers to your business.

"Dependent properties" do not include roads, bridges, tunnels, waterways, airfields, pipelines, or any other similar areas or structures.

"Interruption of business" for contingent business interruption means the period of time that your business is suspended and it:

- a. Begins with the date of direct "loss" or damage to the "dependent property" caused by a peril insured against; and
- b. Ends on the date when the "dependent property" should be repaired, rebuilt, or replaced with reasonable speed and similar quality.

"Interruption of business" for contingent business interruption does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- a. Regulates the construction, use, or repair, or requires the tearing down, of any property; or
- b. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The deductible does not apply to this extension.

6. **Counterfeit Money.** We will pay up to \$1,000 per workday for loss from the acceptance in good faith of counterfeit money. "Workday" means a day on which your operations are usually performed.

The deductible for this extension is \$50.

7. **Debris Removal.** We will pay the cost of removal of debris to covered property on the premises described in the "Declarations" caused by a peril insured against. This does not apply to any increase of "loss" resulting from ordinances or laws regulating construction or repair of buildings. We will pay up to 5% of the total limits for Coverages 1 and 2 plus \$25,000 for debris removal expense.

This extension does not cover the costs to:

- a. Remove debris of your property that is not insured under this policy, or property in your care, custody, or control that is not covered property under Building(s) – Coverage 1 or Business Personal Property and Personal Property of Others – Coverage 2;
- b. Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you are contractually responsible to insure such property and it is insured under this policy;
- c. Remove any property that is property not covered under Building(s) – Coverage 1 or Business Personal Property and Personal Property of Others – Coverage 2;
- d. Remove property of others of a type that would not be covered property under Building(s) – Coverage 1 or Business Personal Property and Personal Property of Others – Coverage 2; or
- e. Extract "pollutants" from land or water, or to remove, restore, or replace polluted land or water.

This extension of coverage applies to each building described in the "Declarations".

8. **Demolition Cost.** This policy covers the cost, not to exceed \$25,000, of demolishing and removing any undamaged portion of the building after a covered "loss". The demolition must be required by enforcement of or compliance with any ordinance or law regulating the construction, use of, or repair of buildings.

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

9. **Employee Dishonesty.** We will pay for loss of "money"; "securities"; written instruments required in conjunction with any credit, debit, or charge card issued to you or any employee for business purposes; or Business Personal Property and Personal Property of Others - Coverage 2 up to \$10,000 per "occurrence" resulting from dishonest acts committed by any of your "employees", whether identified or not, acting alone or in collusion with other persons (except you or your partner(s)) with the intent to:

- a. Cause you to sustain loss; and
- b. Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions, or other employee benefits earned in the normal course of employment) for:

- 1) Any "employee"; or
- 2) Any other person or organization.

This extension is subject to the following:

- a. For any loss, our payment shall not exceed the replacement cost of business personal property



and personal property of others at the time of loss, except the cost of "securities" may be determined by the market value at the time of settlement;

- b. All loss caused by, or involving, one or more "employees", whether the result of a single act or a series of acts, is considered one occurrence;
- c. We will only pay for loss you sustain through acts committed or events occurring during the policy period and if loss is discovered during the policy period or is discovered within one year from the end of the policy period;
- d. Our payment is not increased regardless of the number of people we protect;
- e. Regardless of the number of years our policy is in force, the amount of insurance shall not be cumulative from year to year;
- f. If you sustained a loss during the policy period shown in the "Declarations" resulting directly from an "occurrence" taking place:
  - 1) Partly during the policy period shown in the "Declarations"; and
  - 2) Partly during the policy period(s) of any prior renewals;

we will first settle the amount of loss that you sustained during this policy period. We will then settle the remaining amount of loss that you sustained during the policy period(s) of the prior renewals.

- g. If you sustained a loss during the period of any prior insurance that you could have recovered under your prior insurance, except that the time to discover the loss had expired, we will pay the loss under this Extension of Coverage, provided:
  - 1) This policy became effective at the time of cancellation or termination of your prior insurance; and
  - 2) The loss would have been covered by this insurance had it been in effect when the act or events causing the loss were committed or occurred.

We will pay up to \$10,000 or the amount of insurance under your prior insurance, whichever is less.

The loss under this part g. is not an additional amount of insurance and will not increase the total amount of insurance for Employee Dishonesty.

We do not cover:

- a. Loss caused by any dishonest or criminal act committed by you, or any of your members of a limited liability company, or any of your part-

ners, whether acting alone or in collusion with other persons.

- b. Loss or that part of any loss, the proof of which as to its existence or amount is dependent upon:
  - 1) An inventory computation; or
  - 2) A profit and loss computation.
- c. Loss that is an indirect result of any act or occurrence covered by this policy including, but not limited to, loss caused by:
  - 1) Your inability to realize income that you would have realized had there been no loss of, or loss from damage to covered property;
  - 2) Payment of damages of any type for which you are legally liable. We will pay compensatory damages arising directly from a loss covered by this policy;
  - 3) Payment of costs, fees, or other expenses you incur in establishing either the existence or the amount of loss under this policy; or
  - 4) Payment of expenses related to any legal action.
- d. Any "employee" immediately upon discovery by:
  - 1) You; or
  - 2) Any of your partners, officers, directors, or members of a limited liability company not in collusion with the "employee";

of any dishonest act committed by that "employee" before or after being hired by you.
- e. Loss caused by any "employee" for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.
- f. Loss resulting directly or indirectly from trading whether in your name or in a genuine or fictitious account.
- g. Loss resulting from fraudulent or dishonest signing, issuing, cancelling, or failing to cancel, a warehouse receipt or any papers connected with it.
- h. Loss arising from any credit, debit, or charge card if you have not complied fully with the provisions, conditions, or other terms under which the card was issued.

"Employee" means for this coverage only:

- a. Any natural person:
  - 1) While in your service (and for 30 days after termination of service);
  - 2) Whom you compensate directly by salary, wages, or commissions; and
  - 3) Whom you have the right to direct and control while performing services for you.

- b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care, custody, and control of property outside the premises described in the "Declarations".
- c. Any natural person who is leased to you under a written agreement between you and a labor leasing firm to perform duties related to the conduct of your business.
- d. Any natural person who is a former "employee", director, partner, member of a limited liability company, representative, or trustee retained as a consultant while performing services for you.
- e. Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care, custody, or control of covered property outside the premises described in the "Declarations".
- f. Any natural person who is a Property Manager of properties owned by you.
- g. Any natural person who is acquired as an "employee" through consolidation or merger.

"Employee" does not mean any:

- a. Agent, broker, factor, commission merchant, consignee, independent contractor, or representative of the same general character; or
- b. Manager of a limited liability company, director, or trustee except while performing acts coming within the scope of the usual duties of an "employee".

"Occurrence" means for this coverage only:

- a. An individual act;
- b. The combined total of all separate acts whether or not related; or
- c. A series of acts whether or not related;

committed by an "employee" acting alone or in collusion with other persons, during the policy period shown in the "Declarations", except as provided under Paragraphs f. and g. of This extension subject to the following under **Employee Dishonesty – Section VIII Extensions of Coverage**.

The deductible for this extension is \$200.

- 10. **Expenses for Loss Adjustment.** We will pay up to \$5,000 for expenses involved in the preparation of loss data, inventories, and appraisals. This does not include expenses incurred in using a public adjuster.

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

- 11. **Expenses for Security.** We will pay up to \$2,500 for expenses incurred for security after a covered "loss" to protect the covered property from further damage.

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

- 12. **Fine Arts.** We will pay up to \$25,000 for a "loss" caused by a peril insured against to your fine arts on the premises described in the "Declarations". Fine arts mean property that is rare or has historical value, such as paintings, etchings, drawings, rare books, tapestries, or stained glass.

We will not cover fine arts that are on display at fairgrounds or at a national or international exposition.

We do not cover "loss" caused by a process to repair, retouch, restore, adjust, service, or maintain your fine arts. If a fire or explosion results, we do cover the "loss" caused by the fire or explosion.

This extension of coverage applies to each building described in the "Declarations".

- 13. **Fire Department Service Charges.** We will pay reasonable charges made by a fire department for services rendered as a result of an insured "loss".

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

- 14. **Fire Extinguisher Recharge.** We will pay expenses incurred to recharge portable fire extinguishers after they are used to fight a fire.

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

- 15. **Income Protection Coverage**

- **Income Protection Coverage**

This extension provides for loss of "income" and/or "rental income" you sustain due to partial or total "interruption of business" resulting directly from "loss" or damage to property on the premises described in the "Declarations" from a peril insured against. "Loss" or damage also includes property in the open, or in a vehicle, on the premises described in the "Declarations" or within 1,500 feet thereof.

If you are a tenant, your premises are the portion of the building described in the "Declarations" which:

- a. You rent, lease, or occupy;
- b. All routes within the building that service or are used to gain access to the described premises; and

- c. The area within 1,500 feet of the premises described in the "Declarations" (with respect to "loss" or damage to covered property in the open or in a vehicle).

You are required to resume normal business operations as promptly as possible and shall use all available means to eliminate any unnecessary delay.

This extension of coverage applies to each building described in the "Declarations".

- **Extra Expense**

"Extra expense" coverage is provided at the premises described in the "Declarations".

"Extra expense" means necessary expenses you incur due to partial or total "interruption of business" resulting directly from "loss" to property described in the "Declarations" from a peril insured against. "Loss" or damage to property also includes property in the open, or in a vehicle, on the premises described in the "Declarations" or within 1,500 feet thereof.

We will pay actual and necessary "extra expenses" (other than the expenses to repair or replace property) sustained by you to:

- a. Avoid or minimize the "interruption of business" and to continue your business operations:
  - 1) At the premises described in the "Declarations"; or
  - 2) At replacement premises or at temporary locations, including:
    - a) Relocation expenses; and
    - b) Costs to equip and operate the replacement premises or temporary locations.
- b. Minimize the "interruption of business" if you cannot continue your business operations to the extent it reduces the amount of loss that would have been payable under loss of "income" and/or "rental income".

We will not pay any "loss" or damage to your buildings or business personal property and personal property of others. We also will not pay the cost of research or any other expense to replace or restore your valuable papers and records or "electronic data". We will pay the extra cost to repair or replace your covered property and the amount to research, replace, or restore the lost information on damaged valuable papers and records or "electronic data" to the extent it reduces the amount of loss that would have been payable under loss of "income" and/or "rental income".

- **Additional Coverages**

- a. **Civil Authority**

When a peril insured against causes damage to property other than property at the premises described in the "Declarations", we will pay for the actual loss of "income" and/or "rental income" you sustain and necessary "extra expense" caused by action of civil authority that prohibits access to the premises described in the "Declarations" provided that both of the following apply:

- 1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the premises described in the "Declarations" are within that area but are not more than one mile from the damaged property; and
- 2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the peril insured against that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority coverage for "income" and/or "rental income" will begin 72 hours after the time of the first action of civil authority that prohibits access to the premises described in the "Declarations" and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority coverage for "extra expense" will begin immediately after the time of the first action of civil authority that prohibits access to the premises described in the "Declarations" and will end:

- 1) Four consecutive weeks after the date of that action; or
- 2) When your Civil Authority coverage for "income" and/or "rental income" ends;

whichever is later.

- b. **Full Resumption of Operations**

We will also pay your actual loss of "income" and/or "rental income" for an additional 60 days if your "income" and/or "rental income" after operations are resumed is less than your "income" and/or "rental income" before the loss. The additional amount we will pay will start after the later of the following times:

- 1) The date on which the liability for Income Protection Coverage would terminate if this clause had not been included; or
- 2) The date on which repair, replacement, or rebuilding of such part of the damaged or destroyed property described in the "Declarations" is actually completed.

- **Amount of Insurance**

If the "loss" to property on the premises described in the "Declarations" results in partial or total suspension of your business, we will pay your actual loss sustained up to \$250 for each workday not to exceed \$25,000 for any one loss.

Payment of loss of "income" and/or "rental income" is not limited by the end of the policy period.

Payments under the following coverages are also subject to the amounts of insurance of \$250 for each workday up to \$25,000 for any one loss and the following coverages will not increase these amounts of insurance under this Extension of Coverage - Income Protection:

- a. Extra Expense Coverage;
- b. Civil Authority; or
- a. Full Resumption of Operations.

- **Exclusions**

We will not cover any loss under this Extension of Coverage caused by the exclusions shown under **Section III - Exclusions**.

- **Deductible**

The deductible does not apply to this extension.

16. **Income Protection - Off-Premises Utility Properties Failure.** We will pay up to \$25,000 for your loss of "income", "rental income", and "extra expense" you sustain due to partial or total "interruption of business" resulting from the interruption of service to the premises described in the "Declarations".

The "interruption of business" must result directly from "loss" to the following property, not on the premises described in the "Declarations" from a peril insured against:

- a. Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave, or television services, to the premises described in the "Declarations", such as:
  1. Communication transmission lines (including fiber optic transmission lines);
  2. Coaxial cables; and
  3. Microwave radio relay except satellites.

- b. Power Supply Property, meaning the following types of property supplying electricity, steam, or gas to the premises described in the "Declarations":
  1. Utility generating plants;
  2. Switching stations;
  3. Substations;
  4. Transformers; and
  5. Transmission lines.

- c. Water Supply Property, meaning the following types of property supplying water to the premises described in the "Declarations":
  1. Pumping stations; and
  2. Water mains.

- d. Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the premises described in the "Declarations", other than a system designed primarily for draining storm water. The wastewater removal property includes sewer mains, pumping stations, and similar equipment for moving the effluent to a holding treatment or disposal facility, and includes such facilities.

Coverage under this policy does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

We will only pay for loss of "income", "rental income", and "extra expense" sustained by you after the first 24 hours following "loss" to off-premises communication supply property, power supply property, water supply property, or waste water removal property.

Transmission lines include all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

17. **Key Replacement.** If keys to your building(s) are stolen during a theft loss, we will pay, at your request, up to \$5,000 to replace the keys and locks to the doors of your premises.

This extension of coverage applies to each building described in the "Declarations".

18. **Leasehold Interest.** We will pay for leasehold interest you sustain due to the cancellation of your lease resulting directly from "loss" or damage to buildings or business personal property at the premises described in the "Declarations" from a peril insured against.

We will not pay any "loss" you sustain caused by your cancelling the lease.



This extension of coverage applies to each building described in the "Declarations".

Leasehold interest means the following:

- a. Tenant's Lease Interest, meaning the difference between the:
  - 1) Rent you pay at the premises described in the "Declarations"; and
  - 2) Rental value of the premises described in the "Declarations".
- a. Bonus payments, meaning the unamortized portion of the cash bonus that will not be refunded to you. A cash bonus is money you paid to acquire your lease. It does not include:
  - 1) Rent, whether or not prepaid; or
  - 2) Security.
- b. Improvements and Betterments, meaning the unamortized portion of payments made by you for improvements and betterments. It does not include the value of improvements and betterments recoverable under any other insurance, but only to the extent of such other insurance is valid.

Improvements and betterments are fixtures, alterations, installations, or additions:

- 1) Made a part of the building or structure you occupy but do not own; and
  - 2) You acquire or made at your expense but cannot legally remove.
- c. Prepaid Rent, meaning the unamortized portion of any amount of advance rent you paid that will not be refunded to you. This does not include the customary rent due at:
    1. The beginning of each month; or
    - 2) Any other rental period.

#### **Amount of Insurance**

We will pay your "net leasehold interest" at the time of loss up to \$15,000 for loss you sustain because of the cancellation of any one lease. This applies to:

- a. Tenant's Lease Interest
  - 1) But, if your lease is cancelled and your landlord lets you continue to use your premises under a new lease or other arrangement, the most we will pay for loss because of the cancellation of any one lease is the lesser of:
    - a) The difference between the rent you now pay and the rent you will pay under the new lease or other arrangement; or
    - b) Your "net leasehold interest" at the time of loss.

- 2) Your "net leasehold interest" decreases automatically each month. The amount of "net leasehold interest" at any time is your "gross leasehold interest" times the leasehold interest factor for the remaining months of your lease. A proportionate share applies for any one period of time less than a month.
- b. Bonus Payments, Improvements and Betterments, and Prepaid Rent
    - 1) If your lease is cancelled and your landlord lets you continue to use your premises under a new lease or other arrangement, the most we will pay for loss because of the cancellation of any one lease is the lesser of:
      - a) The loss sustained by you; or
      - b) Your "net leasehold interest" at the time of loss.
    - 2) Your "net leasehold interest" decreases automatically each month. The amount of each decrease is your "monthly leasehold interest". A proportionate share applies for any period of time less than a month.

#### **Definitions**

"Gross leasehold interest" means the difference between the:

- a. Monthly rental value of the premises you lease; and
- b. Actual monthly rent you pay including taxes, insurance, janitorial, or other services that you pay for as part of the rent.

This amount is not changed:

- a. Whether you occupy all or part of the premises; or
- b. If you sublet the premises.

"Monthly leasehold interest" means the monthly portion of covered Bonus Payments, Improvements and Betterments, and Prepaid Rent. To find your "monthly leasehold interest", divide your original costs of Bonus Payments, Improvements and Betterments, and Prepaid Rent by the number of months left in your lease at the time of the expenditure.

"Net Leasehold Interest":

- a. Applicable to Tenant's Lease Interest

"Net leasehold interest" means the present value of your "gross leasehold interest" for each remaining month of the term of the lease at the rate of interest.

The "net leasehold interest" is the amount that, equivalent to your receiving the "gross leasehold interest" for each separate month of the unexpired term of the lease.

- b. Applicable to Bonus Payments, Improvements and Betterments, or Prepaid Rent.

"Net leasehold interest" means your "monthly leasehold interest" times the number of months left in your lease.

19. **Money and Securities.** We will pay up to \$10,000 for any one "loss" caused by a peril insured against to "money" or "securities" while in or on the premises described in the "Declarations" or within a bank or savings institution.

We will pay for "money" and "securities" while being conveyed by the insured or by an authorized employee, up to \$10,000 for any one "loss" caused by a peril insured against.

We will pay up to \$10,000 for "loss" if the "loss" occurs inside the home of the insured or an authorized employee.

This does not include loss caused by unexplained or mysterious disappearance or abstraction.

The deductible for this extension is \$200.

20. **Money and Securities Destruction.** We will pay for "money" and "securities" destruction up to \$10,000 for any one "loss" caused by a peril insured against. "Money" and "securities" destruction means "loss" by destruction of "money" and "securities" within the premises described in the "Declarations".

This does not include loss caused by unexplained or mysterious disappearance or abstraction.

This extension of coverage applies to each building described in the "Declarations".

21. **Newly Acquired or Constructed Property**

- a. If this policy covers building(s), you may extend that insurance to apply to 50% of the limit for Buildings(s) - Coverage 1 or \$500,000, whichever is less, on:

- 1) Newly acquired buildings at other than the location(s) described in the "Declarations";
- 2) New additions, new buildings, and new structures when constructed on the insured premises, including materials, equipment, and supplies on or within 1,500 feet of the insured premises;

provided there is no other insurance applicable.

- b. If this policy covers your business personal property and personal property of others, you may extend that insurance to apply to 25% of the limit for Business Personal Property and Personal Property of Others - Coverage 2 or \$250,000, whichever is less, on newly acquired business personal property and personal property of others in a newly acquired or leased building other than the location(s) described in the "Declarations";

provided there is no other insurance applicable.

- c. In addition to the amount of insurance provided in Extensions of Coverage **B.15. - Income Protection Coverage**, if this policy covers Income Protection, you may extend that insurance to apply up to 25% of the limit for Additional Income Protection - Coverage 3 or \$250,000, whichever is less, for loss of "income" and/or "rental income" on:

- 1) Newly acquired buildings or business personal property and personal property of others in a newly leased building at other than the location(s) described in the "Declarations"; or
- 2) New additions, new buildings, and new structures when constructed on the described premises, including materials, equipment, and supplies on or within 1,500 feet of the described premises, if "loss" to the new additions, new buildings, and new structures delays the start of your business. The "interruption of business" will start on the day your business would have started if the "loss" had not occurred;

provided there is no other insurance applicable.

This extension shall apply for 90 days after the acquisition or start of construction, provided the policy remains in force or is renewed.

You shall report values involved and pay any additional premium.

This extension does not apply to property while in transit.

22. **Non-Owned Detached Trailers.** Business Personal Property and Personal Property of Others - Coverage 2 is extended to cover detached trailers that you do not own, provided that:

- a. The trailer is used in your business;
- b. The trailer is in your care, custody, or control at the insured premises described in the "Declarations"; and
- c. You have a contractual responsibility to pay for "loss" or damage to the trailer.

We will not pay for any "loss" or damage that occurs:

- a. While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion; or
- b. During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

We will pay up to \$5,000 for any one "loss" caused by a peril insured against to non-owned detached trailers.



This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

This extension of coverage applies to each building described in the "Declarations".

23. **Personal Articles.** Business Personal Property and Personal Property of Others - Coverage 2 is extended to cover household and personal articles of the insured, the insured's partners, members or managers of a limited liability company, the insured's officers, or the insured's employees for loss caused by a peril insured against. We will pay up to \$10,000 for any one "loss" at the premises described in the "Declarations".

This extension of coverage applies to each building described in the "Declarations".

24. **Pollutants Clean Up and Removal.** We will cover the cost to extract "pollutants" from land or water on the premises described in the "Declarations" if the release, discharge, or dispersal of "pollutants" is caused by a peril insured against during the policy period. We will pay up to \$25,000 for all "losses" throughout the year. The "loss" must be reported to us within 180 days after the "loss" or the end of the policy period, whichever is the later date.

25. **Private Structures and Rental Value - Dwellings.** You may apply an amount of insurance equal to 10% of the coverage on any insured dwelling to each of the following:

- a. Private structures pertaining to the dwelling; and
- b. Rental value of the dwelling or its private structures. The amount available in any one month cannot exceed 25% of this additional amount of insurance. Damaged property must be repaired as soon as practicable.

Dwelling means a residence for not more than four families. It may contain not more than five roomers or boarders in addition to the four families and it may also contain an incidental commercial occupancy. It may not be used only for commercial or farming purposes.

Incidental commercial occupancy means:

- a. Offices used for business or professional purposes;
- b. Private schools or studios used for music, dance, photography, and other instructional purposes; or
- c. Small service occupancies used for service rather than for sales. Examples are barber or beauty shops, tailors or dressmakers, telephone exchanges, and shoe repair shops using hand work only.

This extension of coverage applies to each building described in the "Declarations".

26. **Property in Danger.** This policy covers up to 45 days for any "loss" to covered property removed from the premises described in the "Declarations" or at a temporary location because of danger of damage by a peril insured against or to repair damage to the covered property.

This extension of coverage applies to each building described in the "Declarations".

27. **Temporarily Off-Premises - Business Personal Property and Personal Property of Others - Coverage 2.** This extension includes coverage for business personal property and personal property of others up to \$25,000 and coverage for salesmen's samples up to \$2,500 for "loss" caused by a peril insured against except while in transit and other than an "accident" or "electronic circuitry impairment" to "covered equipment" as provided in Section IV – Additional Coverages – D. Equipment Breakdown Coverage. This extension applies only to business personal property and personal property of others at a location you do not own, lease, or operate and for not more than 60 days.

We will cover business personal property and personal property of others and salesmen's samples at exhibitions or trade shows for not more than 60 days.

This extension shall not apply to property rented to others and property sold on installment or deferred payment plans after delivery to customers.

28. **Transportation - Airborne Property.** We will pay up to \$25,000 for "loss" to Business Personal Property and Personal Property of Others - Coverage 2 in or on an "aircraft" owned, leased, or operated by or for you or in or on an "aircraft" of a common or contract carrier. The "loss" must be caused by fire; lightning; flood; earthquake; landslide; windstorm; theft; robbery; or crashing of the "aircraft".

This extension applies anywhere in the world.

29. **Transportation.** We will pay up to \$25,000 for "loss" to Business Personal Property and Personal Property of Others - Coverage 2 in or on a vehicle owned, leased, or operated by or for you; in or on a vehicle of a common or contract carrier; or on a dock, pier, bulkhead, platform, or station while in the custody of a common or contract carrier. The "loss" must be caused by fire; lightning; flood; earthquake; landslide; windstorm; collapse of bridge, dock, or culvert; theft; "robbery"; or collision (excluding roadbed collision), upset, or overturn of transporting vehicle.

This extension includes \$1,000 of coverage for tools and equipment.

This extension applies away from the premises described in the "Declarations" but only while in the United States of America, its territories or possessions, Puerto Rico, or Canada.

30. **Valuable Papers and Records.** Business Personal Property and Personal Property of Others - Coverage 2 is extended to cover the "extra expense" incurred in the reproduction of your valuable papers and records and your interest in the valuable papers of others when destroyed by a peril insured against at the premises described in the "Declarations", while being conveyed outside the premises, or temporarily within other premises for any purpose except storage.

Coverage will also apply while your valuable papers and records and your interest in the valuable papers of others are being moved to and while at a place of safety because of imminent danger of "loss" and while being returned from such place.

"Loss" or damage to valuable papers and records will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the valuable papers and records are not restored, the valuable papers and records will be valued at the cost of replacement with blank materials or substantially identical type.

Valuable papers and records means inscribed, printed, or written:

- a. Documents;
- b. Manuscripts; or
- c. Records;

including abstracts, books, deeds, drawings, films, maps, or mortgages. But valuable papers and records does not mean "money" or "securities".

This extension is limited to \$25,000 for any one "loss".

This extension of coverage applies to each building described in the "Declarations".

The deductible does not apply to this extension.

31. **Heating and Air Conditioning Equipment.** Business Personal Property and Personal Property of Others - Coverage 2 is extended to cover heating or air conditioning equipment which is in your care, custody, or control and for which you are contractually responsible. The heating and air conditioning equipment must be permanently attached to the building on the premises described in the "Declarations".

We will pay up to \$20,000 for any one "loss" caused by a peril insured against to heating and air conditioning equipment.

This extension of coverage applies to each building described in the "Declarations".

32. **Laptop Computers Off-Premises.** We will pay up to \$10,000 for laptops, notebooks, and other handheld computers for "loss" caused by a peril insured against, other than an "accident" or "electronic circuitry impairment" to "covered equipment" as provided in **Section IV - Additional Coverages - D. Equipment Breakdown Coverage** while in transit,

temporarily at your home, or at a premise you do not own, lease, or occupy. We will only cover laptops, notebooks, and handheld computers while in the United States of America, its territories or possessions, Puerto Rico, or Canada.

## SECTION IX - WHEN AND WHERE THIS POLICY APPLIES

### When

This policy applies to losses that occur during the policy period. Unless otherwise specified in the "Declarations", "Renewal Certificate", "Amended Declarations", "Revised Declarations", or endorsement, the policy period begins and ends 12:01 AM Standard Time at the stated address of the Named Insured. An "Amended Declarations" or endorsement tells you that the policy has been changed. A "Renewal Certificate" tells you that the policy is being renewed for another policy period.

### Where

This policy applies to "loss" of property in the United States, its territories and possessions, Puerto Rico, and Canada.

## SECTION X - COMMERCIAL PROPERTY CONDITIONS

### 1. ABANDONMENT OF PROPERTY

We will not accept abandoned property.

### 2. APPRAISAL

If you and we fail to agree on the amount of "loss", either party may make written demand for an appraisal. Each party will select an appraiser and notify the other of the appraiser's identity within 20 days after the demand is received. The appraisers will select a competent and impartial umpire. If the appraisers are unable to agree upon an umpire within 15 days after both appraisers have been identified, you or we can ask a judge of a court of record in the state where your principal office is located to select an umpire.

The appraisers shall then set the amount of "loss". If the appraisers submit a written report of an agreement to us, the amount agreed upon shall be the amount of "loss". If they cannot agree, they will submit their differences to the umpire. A written award by two will determine the amount of "loss".

Each party will pay the appraiser it chooses, and equally bear expenses of the appraisal. However, if the written demand for appraisal is made by us, we will pay for the reasonable cost of your appraiser and your share of the cost of the umpire.

We will not be held to have waived any rights by any act relating to appraisal.

### 3. COINSURANCE CLAUSE - COVERAGES 1 & 2

The coinsurance clause applies to each insured item for which a specific amount is shown in the "Declarations". (See percentage shown in the "Declarations").

We will pay that proportion of any "loss" that the amount of insurance bears to the amount produced by multiplying the coinsurance percentage by the actual cash value (ACV) of such property at the time of "loss". We will pay the amount of insurance or the amount determined by coinsurance, whichever is less.

Our Payment =  $\frac{\text{amount of insurance}}{\text{amount required}} \times \text{loss}$

"Amount required" means the coinsurance percentage multiplied by the actual cash value.

If "loss" or damage to your covered property is on a replacement cost basis, "amount required" means the coinsurance percentage multiplied by the replacement cost.

When applying the coinsurance clause, the cost of excavations and earthmoving, the value of parts of structures underground and the Extensions of Coverage are not to be considered.

#### 4. DIVISIBLE CONTRACT

The breach of a policy condition in one building or location will have no effect on the coverage on another where no breach exists.

#### 5. LIMITATION - ELECTRONIC MEDIA AND RECORDS

We will not pay for any loss of "income" and/or "rental income" caused by direct physical damage to electronic media and records after the longer of:

- a. Sixty (60) consecutive days after the date of physical "loss" or damage; or
- b. The period beginning with the date of direct physical "loss" or damage to repair, rebuild, or replace, with reasonable speed and similar quality, other property at the insured premises due to "loss" caused by the same occurrence.

Electronic media and records mean:

- a. Electronic data processing, recording, or storage media such as films, tapes, discs, drums, or cells;
- b. Data stored on such media; or
- c. Programming records used for electronic data processing or electronically controlled equipment.

This limitation does not apply to "extra expense".

#### 6. LOSS PAYMENT

We will adjust all "losses" with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. We will not pay you more than your financial interest in the covered property.

"Loss" will be payable 30 days after we receive your proof of "loss" if you have complied with all the terms of this coverage part and one of the following has been done:

- a. We have reached an agreement with you;

- b. There is an entry of final judgment; or

- c. There is a filing of an appraisal award on your behalf.

We have the option to:

- a. Pay the value of that part of the damaged property;
- b. Pay the cost to repair or replace that part of the damaged property, but this does not include the increased cost of construction due to enforcement of or compliance with any ordinance or law regulating the construction or repair of the damaged building;
- c. Take all or part of the damaged property at an agreed or appraised value; or
- d. Repair or replace that part of the damaged property with material of like kind and quality, but this does not include the increased cost of construction due to any ordinance or law regulating the construction or repair of the damaged building.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this coverage form or any applicable provision which amends or supersedes the Valuation Condition.

We will not pay more than the amount of insurance shown in the "Declarations" applicable to the damaged or destroyed property.

#### Pennsylvania Only:

We must give the insured notice of our intent to repair or replace within 15 working days after we receive your sworn proof of loss.

#### 7. MORTGAGEE

"Loss" shall be payable to mortgagees named in the "Declarations", to the extent of their interest and in the order of precedence.

#### Our Duties

We will:

- a. Protect the mortgagee's interest in an insured building. This protection will not be invalidated by any act or neglect of the insured, any breach of warranty, increase in hazard, change of ownership, or foreclosure if the mortgagee has no knowledge of these conditions.
- b. Give the mortgagee 30 days notice before cancellation or refusal to renew this policy.

#### Mortgagee's Duties

The mortgagee will:

- a. Furnish proof of "loss" within 60 days if you fail to do so;
- b. Pay upon demand any premium due if you fail to do so;

- c. Notify us of any change in ownership or occupancy, or any increase in hazard of which the mortgagee has knowledge;
- d. Give us his or her right of recovery against any party liable for "loss". This shall not impair the right of the mortgagee to recover the full amount of the mortgage debt; and
- e. After a "loss", permit us to satisfy the mortgage requirements, and receive full transfer of the mortgage and all "securities" held as collateral to the mortgage debt.

Policy conditions relating to **APPRAISAL, LOSS PAYMENT** and **SUITS AGAINST US** apply to the mortgagee.

This mortgagee interest provision shall apply to any trustee or loss payee named in the "Declarations".

#### 8. **NO BENEFIT TO BAILEE**

No bailee shall benefit, directly or indirectly, from this insurance.

#### 9. **OTHER INSURANCE**

You may have other insurance subject to the same plan, terms, conditions, and provisions as insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limits of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covered on the same basis.

If there is other insurance covering the same loss or damage, other than that described in the paragraph above, we will pay only for the amount of covered loss or damage in excess of the amount due from the other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limits of Insurance.

#### 10. **PROPERTY OF OTHERS**

If we are called upon to pay a "loss" for property of others, we reserve the right to adjust the "loss" with the owner. If we pay the owner, such payments will satisfy your claims against us for the owner's property.

In case of disagreement with the property owner, we will conduct the defense on your behalf at our expense.

#### 11. **PROTECTIVE SAFEGUARDS**

You must maintain, as far as is within your control, any protective safeguards shown in the "Declarations". Failure to do so will suspend the coverage of this policy at the affected location. Coverage will not be suspended if you notify us immediately when the system is not in operation because of repairs or maintenance, and you comply with our requests and directions at that time.

#### 12. **RECORDS**

You must keep proper records so that we can accurately determine the amount of "loss".

#### 13. **RECOVERIES**

If either you or we recover any property after settlement, that party must notify the other. Expenses of recovery will be deducted from the value of the property. The balance of the proceeds will be divided according to your and our interests.

At your option, the recovered property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay the expenses of the recovery and the expenses to repair the recovered property, up to the Limits of Insurance.

#### 14. **RESUMPTION OF YOUR BUSINESS**

We will reduce the amount of your:

- a. Income protection loss, other than "extra expense", to the extent that you can resume your business, in whole or in part, by using damaged or undamaged property (including business personal property) at the premises described in the "Declarations" or elsewhere.
- b. "Extra expense" loss to the extent you can return your business to normal and discontinue such "extra expense".

#### 15. **SUITS AGAINST US**

We may not be sued unless there is full compliance with all the terms of this policy. Suit must be brought within 2 years (Maryland and North Carolina - 3 years) after the "loss" occurs. (IL – The period of time for filing suit must be extended by the number of days between the date the proof of loss was filed and the date the claim was denied in whole or in part).

#### 16. **VACANCY AND UNOCCUPANCY**

Property may be unoccupied without limit of time. If the building at which the "loss" occurs is vacant for more than 60 consecutive days before the "loss", then we will:

- a. Not pay for any "loss" caused by:
  - 1) Vandalism or malicious mischief, water damage, glass breakage, or theft; or
  - 2) Sprinkler leakage unless you have exercised reasonable care to protect the system against freezing;
- b. Pay for other covered "losses", but we will reduce the amount of payment by 15%.

For a tenant operated business, the building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

For the owner of the building, the building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- a. Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or



- b. Used by the building owner to conduct customary operations.

Buildings under construction are not considered vacant or unoccupied.

## 17. VALUATION

We will determine the value of covered property in the event of "loss" as follows:

- a. At actual cash value at the time of the "loss", except as provided elsewhere in this policy;
- b. Stock you have sold but not delivered will be valued at the selling price less any discounts and expenses you otherwise would have had.

## 18. YOUR DUTIES AFTER A LOSS

In case of a covered "loss", you must perform the following duties:

- a. Give us or our Agent immediate notice. If a crime "loss", also notify the police (except Virginia);
- b. Protect the property from further damage. If necessary for property protection, make reasonable repairs and keep a record of all repair costs;
- c. Furnish a complete inventory of damaged property stating its original cost. At our request, furnish a complete inventory of undamaged property stating its original cost. If a "loss" is both less than \$10,000 and less than 5% of the amount of insurance, no special inventory and appraisal of the undamaged property shall be required;
- d. Produce for examination, with permission to copy, all books of accounts, bills, invoices, receipts, and other vouchers as we may reasonably require;
- e. Show us or our representative the damaged property, as often as may be reasonably required;
- f. Cooperate with us in our investigation of a "loss" and any suits;
- g. Separately submit to examinations under oath and sign a transcript of the same;
- h. Send us, within 90 days after the "loss", your signed and sworn proof of loss statement which includes:
  - 1) Time and cause of "loss";
  - 2) Your interest in the property and the interest of all others involved;
  - 3) Any encumbrances on the property;
  - 4) Other policies which may cover the "loss";
  - 5) Any changes in title, use, occupancy, or possession of the property which occurred during the policy term;
  - 6) When required by us any plans, specifications, and estimates for the repair of the damaged building; and

- 7) The inventory of damaged property as prepared in c. above;

- i. In addition to the other conditions under Additional Income Protection - Coverage 3, make necessary replacements or repairs and use all available means to eliminate any unnecessary delay in order to resume operations as soon as possible;
- j. Agree to help us enforce any right of recovery against any party liable for "loss" under this policy. This will not apply if you have waived recovery rights in writing prior to a "loss".

## SECTION XI - DEFINITIONS

- "Accident" means a fortuitous event that causes direct physical damage to "covered equipment". The event must be one of the following:
  - 1. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
  - 2. Artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliances, or wires;
  - 3. Explosion of steam boilers, steam pipes, steam engines, or steam turbines owned or leased by you or operated under your control;
  - 4. "Loss" or damage to steam boilers, steam pipes, steam engines, or steam turbines caused by or resulting from any condition or event inside such equipment; or
  - 5. "Loss" or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

None of the following is an "accident"

- 1. Defect, programming error, programming limitation, computer virus, malicious code, loss of "electronic data", loss of access, loss of use, loss of functionality or other condition within or involving "electronic data" or "media" of any kind; or
- 2. Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an "accident" results, we will pay for the resulting "loss", damage or expense caused by that "accident"

- "Aircraft" means any machine or device capable of atmospheric flight except model airplanes.
- "Automobile" means a land motor vehicle, trailer, or semi-trailer designed for travel on public roads (including any attached machinery or equipment), but does not include "mobile equipment".
- "Burglary" means the taking of Business Personal Property and Personal Property of Others - Coverage 2 from inside the premises by a person unlawfully entering or exiting the premises as evidenced by visible marks of forcible entry or exit. It includes "loss" to



the building and its equipment resulting from "burglary" or attempted "burglary".

- "Buried vessels or piping" means any piping or vessel buried or encased in the earth, concrete, or other material, whether above or below grade, or in an enclosure which does not allow access for inspection and repair.
- "Cloud computing services" means professional, on-demand, self-service data storage or data processing services provided through the Internet or over telecommunications lines. This includes services known as IaaS (infrastructure as a service), PaaS (platform as a service), SaaS (software as a service) and NaaS (network as a service). This includes business models known as public clouds, community clouds, and hybrid clouds. "Cloud computing services" include private clouds if such services are owned and operated by a third party.

- "Covered equipment" means Covered Property:
  1. That generates, transmits, or utilizes energy; or
  2. Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

"Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.

None of the following is "covered equipment":

1. Insulating or refractory material;
2. "Buried vessels or piping", sewer piping, or piping forming a part of a sprinkler or fire suppression system;
3. Water piping that is not part of a closed loop used to conduct heat or cooling from a boiler or a refrigeration or air conditioning system;
4. Structure, foundation, cabinet, or compartment;
5. Dragline, excavation, or construction equipment;
6. "Vehicle" or any equipment mounted on a "vehicle" as respects **Section IV – Additional Coverage – D. Equipment Breakdown Coverage** means any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to: car, truck, bus, trailer, train, "aircraft", watercraft, forklift, bulldozer, tractor, or harvester.

However, any property that is stationary, permanently installed at a covered location, and that receives electrical power from an external power source will not be considered a "vehicle";

7. Satellite, spacecraft, or any equipment mounted on a satellite or spacecraft; or
  8. Equipment manufactured by you for sale.
- "Declarations", "Amended Declarations", "Revised Declarations", and "Renewal Certificate" mean the form which shows your coverages, limits of protec-

tion, premium charges, and other information. This form is part of your policy.

- "Electronic circuitry" means microelectronic components, including but not limited to circuit boards, integrated circuits, computer chips, and disk drives.
- "Electronic circuitry impairment" means a fortuitous event involving "electronic circuitry" within "covered equipment" that causes the "covered equipment" to suddenly lose its ability to function as it had been functioning immediately before such event. This definition is subject to the conditions specified in 1., 2., and 3. below.

1. We shall determine that the reasonable and appropriate remedy to restore such "covered equipment's" ability to function is the replacement of one or more "electronic circuitry" components of the "covered equipment".
2. The "covered equipment" must be owned or leased by you, or operated under your control.
3. None of the following is an "electronic circuitry impairment":
  - a. Any condition that can be reasonably remedied by:
    - 1) Normal maintenance, including but not limited to replacing expendable parts, recharging batteries, or cleaning;
    - 2) Rebooting, reloading, or updating software or firmware; or
    - 3) Providing necessary power or supply.
  - b. Any condition caused by or related to:
    - 1) Incompatibility of the "covered equipment" with any software or equipment installed, introduced, or networked within the prior 30 days; or
    - 2) Insufficient size, capability, or capacity of the "covered equipment".
  - c. Exposure to adverse environmental conditions, including but not limited to change in temperature or humidity, unless such conditions result in an observable loss of functionality. Loss of warranty shall not be considered an observable loss of functionality.

- "Electronic data" means information, facts, or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-Roms, DVD's, tapes, drives, cells, data processing devices, or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of "electronic data", means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve, or send data. This paragraph does not apply to your stock of prepackaged software.

- "Extra expense" means the necessary expenses incurred by you during the "interruption of business" that would not have been incurred if there had been no direct "loss" to covered property caused by a peril insured against.
- "Fungus" means any type or form of "fungus", including mold or mildew and any mycotoxins, spores, scents, or by-products produced or released by "fungi".
- "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
- "Income" means the sum of net income (net profit or loss before income taxes) that would have been earned or incurred and necessary continuing operating expenses incurred by the business such as payroll expenses, taxes, interests, and rents. For manufacturing risks, "income" includes the net sales value of production.
- "Interruption of business" means the period of time that your business is partially or totally suspended and it:
  1. Begins with the date of direct "loss" to covered property caused by a peril insured against; and
  2. Ends on the date when the covered property should be repaired, rebuilt, or replaced with reasonable speed and similar quality.
- "Loss" means direct and accidental loss of or damage to covered property.
- "Media" means material on which "data" is recorded such as solid state drives, hard disks, optical disks, flash drives, magnetic tapes, or floppy disks.
- "Mobile equipment" means any of the following types of land vehicles (including any attached machinery or equipment):
  1. Bulldozers, farm machinery, forklifts, and other vehicles designed for use principally off public roads;
  2. Vehicles maintained for use solely on or next to premises you own or rent;
  3. Vehicles that travel on crawler treads;
  4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
    - a. Power cranes, shovels, loaders, diggers, or drills; or
    - b. Road construction or resurfacing equipment such as graders, scrapers, or rollers;
  5. Vehicles not described in 1., 2., 3., or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
    - a. Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment; or
    - b. Cherry pickers and similar devices used to raise or lower workers;
- 6. Vehicles not described in 1., 2., 3., or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but are considered "automobiles".
  - a. Equipment designed primarily for:
    - 1) Snow removal;
    - 2) Road maintenance, but not construction or resurfacing;
    - 3) Street cleaning;
  - b. Cherry pickers and similar devices mounted on an "automobile" or truck chassis and used to raise or lower workers; and
  - c. Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment.
- "Money" means:
  1. Currency, coins, and bank notes in current use and having a face value; and
  2. Travelers checks, register checks, credit card slips, and money orders held for sale.

"Money" does not include crypto-currencies such as Bitcoin.
- "One equipment breakdown" means if an initial "accident" or "electronic circuitry impairment" causes other "accidents" or "electronic circuitry impairments", all will be considered "one equipment breakdown". All "accidents" or "electronic circuitry impairments" that are the result of the same "accident" or "electronic circuitry impairment" will be considered "one equipment breakdown".
- "Pollutants" mean any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.
- "Rental income" means:
  1. The rents from the tenant occupancy of the premises described in the "Declarations";
  2. Continuing operating expenses incurred by the business such as:
    - a. Payroll; and

- b. All expenses for which the tenant is legally responsible and for which you would otherwise be responsible.
- 3. Rental value of the property described in the "Declarations" and occupied by you;
- 4. Incidental income received from coin-operated laundries, hall rentals, or other facilities on the premises described in the "Declarations".
- "Robbery" means the taking of Business Personal Property and Personal Property of Others - Coverage 2 from the care, custody, and control of a person by one who has:
  - 1. Caused or threatened to cause that person bodily harm; or
  - 2. Committed an obviously unlawful act witnessed by that person.
- "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
  - 1. Tokens, tickets including lottery tickets, food stamps, revenue, and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
  - 2. Evidences of debt issued in connection with credit or charge cards not issued by you;"Securities" does not include "money".



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FIVESTAR CONTRACTORS  
ULTRAFLEX PACKAGE  
ULTRAPACK BUSINESS  
ULTRASURE FOR PROPERTY OWNERS  
GU-78 (Ed. 2/02) UF-9228

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**ILLINOIS AMENDATORY ENDORSEMENT - OTHER INSURANCE**  
**CONDITION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART**

**Other Insurance of Section X - Commercial Property Conditions** is replaced by the following:

**Other Insurance**

You may have other insurance subject to the same plan, terms, conditions, and provisions as the insurance under this policy. If you do, we will pay our share of the covered "loss" or damage. Our share is the proportion that the applicable Limit of Insurance under this policy

bears to the Limits of Insurance of all insurance covering on the same basis.

If there is other insurance covering the same "loss" or damage, other than that described in the first paragraph, we will pay only for the amount of covered "loss" or damage in excess of the amount due from that other insurance, whether you can collect on it or not. We will not pay more than the amount of insurance shown in the "Declarations".

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IL 09 52 (Ed. 1/15) UF-4076

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART(S)

FIVESTAR CONTRACTORS' COMMERCIAL PROPERTY COVERAGE PART

ULTRAFLEX COMMERCIAL PROPERTY COVERAGE PART

ULTRAPACK COMMERCIAL PROPERTY COVERAGE PART

ULTRASURE FOR PROPERTY OWNERS' COMMERCIAL PROPERTY COVERAGE PART

ULTRASURE FOR LANDLORDS POLICY

### **A. Cap On Certified Terrorism Losses**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

### **B. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Reaction or Radiation Exclusion or the War Exclusion.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**ILLINOIS AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART**

**A. Other Insurance of Section X - Commercial Property Conditions** is replaced by the following:

**Other Insurance**

You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.

If there is other insurance covering the same loss or damage, other than that described in the above paragraph, we will pay only for the amount of covered loss or damage in excess of the amount due from

that other insurance, whether you can collect on it or not. But, we will not pay more than the applicable Limit of Insurance.

**B. Suits Against Us of Section X - Commercial Property Conditions** is replaced by the following:

**Suits Against Us**

We may not be sued unless there is full compliance with all the terms of this policy. Suit must be brought within two years after the "loss" occurs.

However, this two year period is extended by the number of days between the date proof of loss is submitted and the date the claim is denied in whole or in part.



ERIE INSURANCE GROUP

BUSINESS CATASTROPHE LIABILITY  
COMMERCIAL GENERAL LIABILITY  
FIVESTAR CONTRACTORS  
ULTRAFLEX PACKAGE  
ULTRAPACK BUSINESS  
ULTRASURE FOR PROPERTY OWNERS  
GU-32 (Ed. 3/01) UF-6189

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION - LEAD LIABILITY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following is added to Paragraph 2., **Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

### **Lead Liability**

This insurance does not apply to:

1. Actual or alleged "bodily injury" arising out of the ingestion, inhalation, or absorption of lead or lead compounds in any form.
2. Actual or alleged "bodily injury" or "property damage" arising out of any form of lead or lead compounds.
3. Any legal obligation of the insured for indemnification or contribution due to damages arising out of "bodily injury" or "property damage" caused by lead, resulting from paint containing lead or contributed to by any other substance or material containing lead;
4. "Bodily injury" or "property damage" arising out of the actual or alleged:
  - a. exposure to or existence of lead, paint containing lead, or any other material or substance containing lead, or

- b. Manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of lead, paint containing lead, or any other material or substance containing lead.

whether or not the lead is now or was at any time airborne as a particle, contained as a product, ingested, inhaled, transmitted in any fashion, or found in any form whatsoever.

5. Any loss, cost or expense arising out of any:
  - a. Request, demand or order that the insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, lead or lead compounds.
  - b. Claim or "suit" by or on behalf of any governmental authority for damages resulting from testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, lead or lead compounds in any form.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION - PROFESSIONAL LIABILITY**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

- A. The following is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability and Paragraph 2., Exclusions of Section I - Coverage B - Personal and Advertising Injury Liability:**

#### **Professional Liability**

This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" due to:

1. The rendering of or failure to render:
  - a. Diagnostic, medical, surgical, dental, x-ray, or nursing service or treatment, or the furnishing of food or beverages with them;
  - b. Health or therapeutic service, treatment, advice, or instruction; or
  - c. Ambulance, paramedical, rescue squad, or other service or treatment conducive to health;
2. The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances;
3. The handling of or performing of autopsies;
4. The rendering of or failure to render cosmetic, ear piercing, tonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometrical services, or treatments;
5. The selling, licensing, franchising, or furnishing of your computer software, including electronic data processing programs, designs, specifications, manuals, and instructions;
6. Any act, error, or omission with respect to data processing services or operations;
7. Any act, error, or omission with respect to any real estate agent or broker services;
8. The rendering of or failure to render any "professional services" by you or on your behalf, but only with respect to either or both of the following operations:
  - a. Providing engineering, architectural, or surveying services to others in your capacity as an engineer, architect, or surveyor; and
  - b. Providing or hiring independent professionals to provide engineering, architectural, or surveying

services in connection with construction work you perform; or

9. Any other service of a professional nature, including but not limited to accounting, printers, or attorneys.

These exclusions apply even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training, or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or failure to render any professional services by you or on your behalf with respect to the operations described above.

- B. The following definition is added to Section V - Definitions:**

"Professional services" includes:

1. The preparing, approving, or failing to prepare or approve maps, plans, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and
2. Supervision or inspection activities performed as part of any related architectural or engineering activities.

"Professional services" do not include services within construction means, methods, techniques, sequences, and procedures employed by you in connection with your operations in your capacity as a construction contractor.

- C. This Exclusion - Professional Liability does not apply to liability for damages because of "bodily injury", "property damage", or "personal and advertising injury" if a premium for professional liability coverage is shown in the Declarations.**

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COMMERCIAL GENERAL LIABILITY  
CG 00 01 (Ed. 4/13) UF-9708

## COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

### SECTION I – COVERAGES

#### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

##### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- 1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- 2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:
- 1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
  - 2) The "bodily injury" or "property damage" occurs during the policy period; and

- 3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- 1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- 2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- 3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

##### 2. Exclusions

This insurance does not apply to:

###### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

**b. Contractual Liability**

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- 1) That the insured would have in the absence of the contract or agreement; or
- 2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

**c. Liquor Liability**

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- 1) Causing or contributing to the intoxication of any person;
- 2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- 3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph 1), 2) or 3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

**d. Workers' Compensation And Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

**e. Employer's Liability**

"Bodily injury" to:

- 1) An "employee" of the insured arising out of and in the course of:
  - a) Employment by the insured; or
  - b) Performing duties related to the conduct of the insured's business; or
- 2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph 1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

- 1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;



- ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
  - iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - i) Any insured; or
    - ii) Any person or organization for whom you may be legally responsible; or
  - d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
    - i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
    - ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
    - iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
  - e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- 2) Any loss, cost or expense arising out of any:
- a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".
- However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.
- g. Aircraft, Auto Or Watercraft**
- "Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".
- This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- 1) A watercraft while ashore on premises you own or rent;
- 2) A watercraft you do not own that is:
  - a) Less than 26 feet long; and
  - b) Not being used to carry persons or property for a charge;
- 3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- 4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- 5) "Bodily injury" or "property damage" arising out of:
  - a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
  - b) The operation of any of the machinery or equipment listed in Paragraph f.2) or f.3) of the definition of "mobile equipment".

#### **h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- 1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- 2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

#### **i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- 1) War, including undeclared or civil war;
- 2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- 3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

#### **j. Damage To Property**

"Property damage" to:

- 1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- 2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- 3) Property loaned to you;
- 4) Personal property in the care, custody or control of the insured;
- 5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- 6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs 1), 3) and 4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph 2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs 3), 4), 5) and 6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph 6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

#### **k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

#### **l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- 1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- 2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- 1) "Your product";
- 2) "Your work"; or
- 3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

**p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**q. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- 1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;

3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

**COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY****1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- 1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- 2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

## 2. Exclusions

This insurance does not apply to:

### a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

### b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

### c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

### d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

### e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

### f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

### g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

### h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

### i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

### j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- 1) Advertising, broadcasting, publishing or telecasting;
- 2) Designing or determining content of web sites for others; or
- 3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

### k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

### l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

### m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

### n. Pollution-related

Any loss, cost or expense arising out of any:

- 1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- 2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".



**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- 1) War, including undeclared or civil war;
- 2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- 3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**p. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- 1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- 2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- 3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- 4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- 1) First aid administered at the time of an accident;
- 2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- 3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers' Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

**SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

**COVERAGE C – MEDICAL PAYMENTS**

**1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- 1) On premises you own or rent;
- 2) On ways next to premises you own or rent; or
- 3) Because of your operations;

provided that:

- a) The accident takes place in the "coverage territory" and during the policy period;
- b) The expenses are incurred and reported to us within one year of the date of the accident; and
- c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.



- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
  - 1) Agrees in writing to:
    - a) Cooperate with us in the investigation, settlement or defense of the "suit";
    - b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
    - c) Notify any other insurer whose coverage is available to the indemnitee; and

- d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

- 2) Provides us with written authorization to:

- a) Obtain records and other information related to the "suit"; and
- b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

## SECTION II – WHO IS AN INSURED

- 1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

1) "Bodily injury" or "personal and advertising injury":

a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph 1)a) above;

c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph 1)a) or b) above; or

d) Arising out of his or her providing or failing to provide professional health care services.

2) "Property damage" to property:

a) Owned, occupied or used by;

b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

1) With respect to liability arising out of the maintenance or use of that property; and

2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. Claims made or "suits" brought; or

c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

a. Medical expenses under Coverage C;

b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and

c. Damages under Coverage B.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

a. Damages under Coverage A; and

b. Medical expenses under Coverage C

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

#### **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**

##### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

##### **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- 1) How, when and where the "occurrence" or offense took place;
- 2) The names and addresses of any injured persons and witnesses; and
- 3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

- 1) Immediately record the specifics of the claim or "suit" and the date received; and
- 2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- 1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- 2) Authorize us to obtain records and other information;

- 3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

- 4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

##### **3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

##### **4. Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

###### **a. Primary Insurance**

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

###### **b. Excess Insurance**

- 1) This insurance is excess over:

- a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

- i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

- ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

- iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I – Coverage A – Bodily Injury And Property Damage Liability.

b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

b) The total of all deductible and self-insured amounts under all that other insurance.

4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

#### c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### 5. Premium Audit

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### 6. Representations

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

#### 7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

#### 8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

#### 9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

#### SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and

b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.



2. "Auto" means:

- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
- c. All other parts of the world if the injury or damage arises out of:
  - 1) Goods or products made or sold by you in the territory described in Paragraph a. above;
  - 2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
  - 3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.

- 5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
- 7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
- 8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- 1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- 2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- 3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in 2) above and supervisory, inspection, architectural or engineering activities.



10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - 1) Power cranes, shovels, loaders, diggers or drills; or
  - 2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - 1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - 2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- 1) Equipment designed primarily for:
  - a) Snow removal;
  - b) Road maintenance, but not construction or resurfacing; or

c) Street cleaning;

- 2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- 3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
  - 1) Products that are still in your physical possession; or
  - 2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

- a) When all of the work called for in your contract has been completed.
- b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
- c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:
  - 1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
  - 2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
  - 3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- 18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
  - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- 1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - a) You;
  - b) Others trading under your name; or
  - c) A person or organization whose business or assets you have acquired; and
- 2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- 1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- 2) The providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

- 1) Work or operations performed by you or on your behalf; and
- 2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

- 1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- 2) The providing of or failure to provide warnings or instructions.

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FX-00-03 (Ed. 7/16) UF-3555

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ULTRAFLEX EXTRA LIABILITY COVERAGES**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

#### **A. Damage to Premises Rented to You - Fire Legal Liability:**

1. The following is added to Paragraph 1., **Insuring Agreement of Section I - Coverage A - Bodily Injury And Property Damage Liability**:

##### **Insuring Agreement**

We will pay those sums that the insured becomes legally obligated to pay as damages because of "property damage" to buildings rented to you or occupied by you.

The damage must be caused by fire; lightning; windstorm; hail; explosion; riot, civil commotion; vehicles; aircraft; smoke; vandalism; malicious mischief; water damage; or elevator collision.

2. Exclusions 2.c. through 2.n. of **Section I - Bodily Injury And Property Damage Liability** do not apply to this coverage. A separate limit of insurance applies to this coverage as described in **Section III - Limits of Insurance**.

We do not cover liability assumed by the insured except in an "insured contract".

3. Paragraph 9.a. of "insured contract" of **Section V - Definitions** is replaced by the following:

9.a. A contract for lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire; lightning; windstorm; hail; explosion; riot; civil commotion; vehicles; aircraft; smoke; vandalism; malicious mischief; water damage; or elevator collision to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract".

#### **B. Host Liquor Liability Coverage**

The following is added to Paragraph 2.c. **Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability**:

This exclusion does not apply to liability of the insured or the indemnitee of the insured arising out of the giving or serving of alcoholic beverages at functions incidental to your business, provided you are not engaged in the business of manufacturing, distributing, selling, or serving of alcoholic beverages.

#### **C. Non-Owned Watercraft**

Paragraph 2.g.2)a) **Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability** is replaced by the following:

This exclusion does not apply to a watercraft that you do not own that is less than 51 feet long.

#### **D. Incidental Medical Malpractice**

1. The following is added to Paragraph 1., **Insuring Agreement of Section I - Coverage A - Bodily Injury And Property Damage Liability**:

We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" arising from "incidental medical malpractice injury".

2. The following is added to Paragraph 2. **Exclusions of Section I - Coverage A - Bodily Injury And Property Damage**:

This insurance does not apply to:

- a. Expenses incurred by the insured for first aid to others at the time of an accident.
- b. "Bodily injury" arising from any insured if the insured is engaged in the business or occupation of providing the following services:
  - 1) Diagnostic, medical, surgical, dental, x-ray, or nursing service or treatment or the furnishing of food or beverages in connection with the service or treatment;
  - 2) Ambulance, paramedical, rescue squad, or other service or treatment conducive to health;
  - 3) The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances; or
  - 4) Health or therapeutic service, treatment, advice, or instruction.

c. "Bodily injury" arising from any indemnitee if the indemnitee is engaged in the business or occupation of providing the following services:

- 1) Diagnostic, medical, surgical, dental, x-ray, or nursing service or treatment or the furnishing of food or beverages in connection with the service or treatment;
- 2) Ambulance, paramedical, rescue squad, or other service or treatment conducive to health;
- 3) The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances; or
- 4) Health or therapeutic service, treatment, advice, or instruction.

3. The following is added to **Section V - Definitions**:

"Incidental medical malpractice injury" means injury arising out of the rendering of or failure to render, during the policy period, the following services:

- a. Diagnostic, medical, surgical, dental, x-ray, or nursing service or treatment, or the furnishing of food or beverages in connection with the service or treatment; or
- b. The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances.

**E. Volunteer Workers - Medical Payments**

The following is added to Paragraph 1. **Insuring Agreement of Section I - Coverage C - Medical Payments**:

We will pay medical expenses for "bodily injury" sustained by your volunteer workers caused by an accident while engaged in any of your insured activities.

**F. Attorney's Fees**

The following is added to **Section I - Supplementary Payments - Coverages A and B**:

All reasonable attorneys' fees up to \$100 which the insured incurs because of arrest resulting from an accident involving "mobile equipment" covered by this policy.

**G. Municipal Supervisors**

The following is added to **Section II - Who Is An Insured**:

Supervisors, if you are a municipality.

**H. The following is added to the definition of "products-completed operations hazard" of Section V - Definitions:**

Includes all "bodily injury" and "property damage" arising out of "your product" if your business includes the handling or distribution of "your product" for consumption on premises you own or rent.

**I. Waiver of Subrogation**

**Transfer of Right of Recovery Against Others to Us - Section IV - Conditions** is replaced by the following:

We waive any right of recovery we may have against the additional insured because of payments we have made under this Coverage Part. However, our rights may only be waived prior to the "bodily injury" or "property damage" caused by the "occurrence" which we have made payments under this Coverage Part.

The insured must do nothing after a loss to impair our rights. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce these rights.

**J. Primary and Non-Contributory Insurance**

The following is added to Paragraph 4. - **Other Insurance of Section IV - Conditions**:

Where required by a written contract or agreement, this insurance is primary and non-contributory as respects any other insurance policy issued to the additional insured, and such other insurance policy shall be excess or non-contributing, whichever applies, with this insurance.



ERIE INSURANCE GROUP

COMMERCIAL GENERAL LIABILITY  
CG 00 99 (Ed. 11/85) UF-9889

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**CHANGES IN GENERAL LIABILITY FORMS FOR COMMERCIAL  
PACKAGE POLICIES**

This endorsement modifies insurance provided under the following:

COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE

COMPREHENSIVE GENERAL LIABILITY INSURANCE

CONTRACTUAL LIABILITY INSURANCE

DRUGGISTS LIABILITY INSURANCE

ELEVATOR COLLISION INSURANCE

MANUFACTURERS AND CONTRACTORS LIABILITY INSURANCE

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY INSURANCE

OWNERS, LANDLORDS AND TENANTS LIABILITY INSURANCE

PREMISES MEDICAL PAYMENTS INSURANCE

SPECIAL MULTI-PERIL POLICY LIABILITY INSURANCE

STOREKEEPERS INSURANCE

A. Whenever the term "policy" is used in any form listed above or in the declarations or any related endorsement, it is changed to "coverage part."

B. The Common Policy Declarations (other than any references to premiums) and the Common Policy Conditions do not apply).

C. With respect to the Special Multi-Peril Policy Conditions and Definitions Form attached to this policy.

1. The General Conditions, Conditions Applicable to Section II and Definitions Applicable to Section II apply only to the Commercial General Liability Coverage Part.
2. The Conditions Applicable to Section I do not apply to any part of this policy; and
3. The Cancellation condition is replaced by the following:

Cancellation. This policy may be cancelled by the "named insured" by mailing to the company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the company by mailing to the "named insured" at the address shown in this policy, written notice stating when not less than thirty days thereafter such cancellation shall be effective; provided that in the event of nonpayment of premium, such notice shall state when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date of cancellation stated in the notice shall be sufficient proof of notice. The effective date of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the "named insured" or by the company shall be equivalent to mailing.

If the "named insured" cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes



effective, but payment or tender of unearned premium is not a condition of cancellation.

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COMMERCIAL GENERAL LIABILITY  
CG 21 47 (Ed. 12/07) UF-9680

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury and Property damage Liability:**

This insurance does not apply to;

"Bodily injury" to:

1. A person arising out of any:
  - a. Refusal to employ that person;
  - b. Termination of that person's employment; or
  - c. Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
2. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs 1., 2. or 3. above is directed.

This exclusion applies:

1. Whether the injury-causing event described in Paragraphs a., b., or c. above occurs before employment, during employment or after employment of that person;
2. Whether the insured may be liable as an employer or in any other capacity; and
3. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to paragraph 2., Exclusions of Section I - Coverage B - Personal Injury and Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

1. A person arising out of any:
  - a. Refusal to employ that person;
  - b. Termination of that person's employment; or
  - c. Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination or malicious prosecution directed at that person; or
2. The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs 1., 2. or 3. above is directed.

This exclusion applies:

1. Whether the injury-causing event described in Paragraphs a., b., or c. above occurs before employment, during employment or after employment of that person;
2. Whether the insured may be liable as an employer or in any other capacity; and
3. To any obligation to share damages with or repay someone else who must pay damages because of the injury.



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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT**

**(Broad Form)**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 FARM COVERAGE PART  
 LIQUOR LIABILITY COVERAGE PART  
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
 POLLUTION LIABILITY COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
 UNDERGROUND STORAGE TANK POLICY.

**1. The insurance does not apply:**

**A. Under any Liability Coverage, to "bodily injury" or "property damage":**

- 1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limits of liability; or
- 2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

**B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear**

**material" and arising out of the operation of a "nuclear facility" by any person or organization.**

**C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:**

- 1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- 2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- 3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property threat.

**2. As used in this endorsement:**

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

"Source material", "special nuclear material" and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- a) Any "nuclear reactor";
- b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or

utilizing "spent fuel", or (3) handling, processing or packaging "waste";

- c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.



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BUSINESS CATASTROPHE LIABILITY  
COMMERCIAL GENERAL LIABILITY  
FIVESTAR CONTRACTORS  
ULTRAFLEX PACKAGE  
ULTRAPACK BUSINESS  
ULTRASURE FOR PROPERTY OWNERS  
GU-30 (Ed. 3/01) UF-5919

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**AMENDMENT OF POLICY - TWO OR MORE COVERAGE PARTS**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

The following Condition is added to **Section IV - Commercial General Liability Conditions**:

**TWO OR MORE COVERAGE PARTS OR POLICIES ISSUED BY US**

Notwithstanding the **OTHER INSURANCE** Condition in your policy, if this policy and any other coverage part or policy issued to you by us apply to the same occurrence, offense or accident, the maximum Limits of Insurance under all coverage parts or policies will not exceed the highest applicable Limits of Insurance under any one coverage part or policy.

In no event will coverage be provided during the policy period after

1. the applicable Aggregate Limit of Protection under any one coverage part or policy has been exhausted; or
2. the applicable Aggregate Limits of Insurance under any one coverage part or policy would have been exhausted had all covered claims been submitted under that one coverage part or policy rather than under two or more coverage parts or policies.

This condition does not apply to any coverage part or policy issued by us specifically to apply as excess insurance over this policy.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS CHANGES - DEFENSE COSTS**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART - LEGAL LIABILITY COVERAGE FORM  
COMMERCIAL PROPERTY COVERAGE PART - MORTGAGEHOLDERS ERRORS AND OMISSIONS COVERAGE FORM  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PRODUCT WITHDRAWAL COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK COVERAGE PART

**A.** The provisions of Paragraph **B.** are added to all Insuring Agreements that set forth a duty to defend under:

1. Section **I** of the Commercial General Liability, Commercial Liability Umbrella, Employment-related Practices Liability, Farm, Liquor Liability, Owners And Contractors Protective Liability, Pollution Liability, Products/Completed Operations Liability, Product Withdrawal, Medical Professional Liability, Railroad Protective Liability, Underground Storage Tank Coverage Parts, Auto Dealers Coverage Form and the Farm Umbrella Liability Policy;
2. Section **II** under the Auto Dealers, Business Auto and Motor Carrier Coverage Forms;
3. Section **III** under the Auto Dealers and Motor Carrier Coverage Forms;
4. Section **A.** Coverage under the Legal Liability Coverage Form; and

5. Coverage **C** – Mortgageholder's Liability under the Mortgageholders Errors And Omissions Coverage Form.

Paragraph **B.** also applies to any other provision in the policy that sets forth a duty to defend.

**B.** If we initially defend an insured ("insured") or pay for an insured's ("insured's") defense but later determine that the claim(s) is (are) not covered under this insurance, we will have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement for the defense costs under this provision will only apply to defense costs we have incurred after we notify you in writing that there may not be coverage, and that we are reserving our rights to terminate the defense and seek reimbursement for defense costs.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COVERAGE FOR PUNITIVE DAMAGES**

### **ILLINOIS**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

**A. Paragraph 1. Insuring Agreement of Section I - Coverage A - Bodily Injury And Property Damage Liability is replaced by the following:**

**1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages, including punitive or exemplary damages, but only for vicarious liability to the extent allowed by law, because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- 1) The amount we will pay for damages is limited as described in Section III - Limits of Insurance; and
- 2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- 1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- 2) The "bodily injury" or "property damage" occurs during the policy period.

- 3) Prior to the policy period, no insured listed under Paragraph 1. of Section II - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
  - 1) Reports all, or any part of the "bodily injury" or "property damage" to us or any other insurer;
  - 2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
  - 3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

Paragraph 1. Insuring Agreement of Section I - Coverage B - Personal And Advertising Injury Liability is replaced by the following:

**1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages, including punitive or exemplary damages, but only for vicarious liability to the extent allowed by law, because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- 1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and

- 2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PRODUCT WITHDRAWAL COVERAGE PART

**A. Cancellation** (Common Policy Conditions) is replaced by the following:

**Cancellation**

1. The first Named Insured shown in the Declarations may cancel this Policy by mailing to us advance written notice of cancellation.
2. We may cancel this Policy by mailing to you, at your last mailing address known to us, written notice stating the reason for cancellation. Proof of mailing will be sufficient proof of notice. If we cancel:
  - a. For nonpayment of premium, we will mail the notice at least 10 days prior to the effective date of cancellation.
  - b. For a reason other than nonpayment of premium, we will mail the notice at least:
    - 1) 30 days prior to the effective date of cancellation if the Policy has been in effect for 60 days or less.
    - 2) 60 days prior to the effective date of cancellation if the Policy has been in effect for more than 60 days.
3. If this Policy has been in effect for more than 60 days, we may cancel only for one or more of the following reasons:
  - a. Nonpayment of premium;
  - b. The Policy was obtained through a material misrepresentation;
  - c. Any insured has violated any of the terms and conditions of the Policy;
  - d. The risk originally accepted has measurably increased;
  - e. Certification to the Director of Insurance of the loss of reinsurance by the insurer that provided coverage to us for all or a substantial part of the underlying risk insured; or

f. A determination by the Director of Insurance that the continuation of the Policy could place us in violation of the insurance laws of this State.

4. Notification of cancellation will also be sent to your broker, if known, or agent of record, if known.
  5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
  6. If this Policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund will be less than pro rata. The cancellation will be effective even if we have not offered a refund.
- B. The following is added and supersedes any provision to the contrary:**

**Nonrenewal**

If we decide not to renew or continue this Policy, we will mail you written notice, stating the reason for nonrenewal, at least 60 days before the end of the policy period. Proof of mailing will be sufficient proof of notice. Notification of renewal will also be sent to your broker, if known, or agent of record, if known. If we offer to renew or continue and you do not accept, this Policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this Policy will end on the effective date of that insurance.



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COMMERCIAL GENERAL LIABILITY  
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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION - ASBESTOS**

This endorsement modifies the insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

The following exclusion is added to Paragraph 2., **Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability** and to Paragraph 2., **Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability**:

#### **Asbestos**

This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of:

1. The inhaling, ingesting, or physical exposure to asbestos, or goods or products containing asbestos;

2. The manufacture, distribution, sale, resale, rebranding, transportation, storage, or disposal of asbestos or products containing asbestos;
3. The installation, repair, removal, encapsulation, abatement, replacement, handling of or exposure to, asbestos or products containing asbestos; or
4. The use of asbestos in constructing or manufacturing any goods, products, or structures.

We will not pay for the investigation or defense of any claim or "suit" or for any fine, cost, or expense of any claim or "suit" resulting from asbestos.





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## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be changed. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties and only with respect to that property.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – UNMANNED AIRCRAFT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. Exclusion 2.g. Aircraft, Auto Or Watercraft under Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by the following:**

### **2. Exclusions**

This insurance does not apply to:

#### **g. Aircraft, Auto Or Watercraft**

##### **1) Unmanned Aircraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This Paragraph g.1) applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

##### **2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This Paragraph g.(2) applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This Paragraph g.2) does not apply to:

- a) A watercraft while ashore on premises you own or rent;

- b) A watercraft you do not own that is:

- i) Less than 26 feet long; and

- ii) Not being used to carry persons or property for a charge;

- c) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

- d) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

- e) "Bodily injury" or "property damage" arising out of:

- i) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or

- ii) The operation of any of the machinery or equipment listed in Paragraph f.2) or f.3) of the definition of "mobile equipment".

**B. The following exclusion is added to Paragraph 2. Exclusions of Coverage B – Personal And Advertising Injury Liability:**

### **2. Exclusions**

This insurance does not apply to:

#### **Unmanned Aircraft**

"Personal and advertising injury" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the offense which caused the "personal and advertising injury" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

This exclusion does not apply to:

- a. The use of another's advertising idea in your "advertisement"; or
- b. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

C. The following definition is added to the **Definitions** section:

"Unmanned aircraft" means an aircraft that is not:

- 1. Designed;
- 2. Manufactured; or
- 3. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

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COMMERCIAL GENERAL LIABILITY  
CG 21 67 (Ed. 12/04) UF-3888

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**  
**FUNGI OR BACTERIA EXCLUSION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. The following exclusion is added to Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi or Bacteria**

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi or Bacteria**

- a. "Personal and advertising injury" which would not have taken place in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

**C. The following definition is added to Section V - Definitions:**

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by "fungi".

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CG 21 70 (Ed. 1/15) UF-4077

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

- A.** If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.
- "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

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(Ed. 3/95) UF-8385

## IMPORTANT NOTICE

Your policy contains Lead Liability Exclusion Endorsement GU-32, an exclusion involving lead contamination.

Any claims of **bodily injury, personal injury or property damage** from lead contamination occurring during this policy period and future policy periods will not be covered. Your liability insurance does not cover any loss, cost or expense arising from any requests or claims made by a governmental authority that you test for, remove or in any way respond to the effects of lead.

It has become increasingly apparent in recent years that lead poisoning poses a serious threat to children. Studies have shown that even small doses of lead can cause severe poisoning, slowed development, altered behavior, and loss of intelligence. The lead hazard can be reduced by removing the lead from the premises using approved abatement methods.

Again, this policy contains a complete exclusion for liability resulting from lead. Therefore, we recommend you take action to identify and remove any lead hazards that may exist on your premises to protect yourself.



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CG 21 96 (Ed. 3/05) UF-4906

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SILICA OR SILICA-RELATED DUST EXCLUSION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

#### **2. Exclusions**

This insurance does not apply to:

##### **Silica or Silica-Related Dust**

- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
- b. Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by an insured or by any other person or entity.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:**

#### **2. Exclusions**

This insurance does not apply to:

##### **Silica or Silica-Related Dust**

- a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

**C. The following definitions are added to the Definitions Section:**

1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "Silica-related dust" means a mixture or combination of "silica" and other dust or particles.



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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**AMENDMENT OF MOBILE EQUIPMENT DEFINITION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

A. Exclusion g. under Section I - Coverage A - Bodily Injury And Property Damage Liability is replaced by the following:

**g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- 1) A watercraft while ashore on premises you own or rent;
- 2) A watercraft you do not own that is:
  - a) Less than 26 feet long; and
  - b) Not being used to carry persons or property for a charge;
- 3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- 4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- 5) "Bodily injury" or "property damage" arising out of the operation of any equipment listed in Paragraph f.2) or f.3) of the definition of "mobile equipment"; or
- 6) "Bodily injury" or "property damage" arising out of the operation of machinery or equipment that is attached to or part of a land motor

vehicle that would qualify under the definition of "mobile equipment" if it were not described on the declarations of a motor vehicle liability policy for liability coverage.

B. Paragraph 12. of Section V - Definitions is replaced by the following:

"Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - 1) Power cranes, shovels, loaders, diggers or drills; or
  - 2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - 1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - 2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- 1) Equipment designed primarily for:

- a) Snow removal;
  - b) Road maintenance, but not construction or resurfacing; or
  - c) Street cleaning;
- 2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

- 3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicle that is described on the declarations of a motor vehicle liability policy for liability coverage. "Mobile equipment" that is described on the declarations of a motor vehicle liability policy for liability coverage is considered an "auto".

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CG 21 06 (Ed. 5/14) UF-B756

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY – WITH LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. Exclusion 2.p. of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

#### **2. Exclusions**

This insurance does not apply to:

##### **p. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- 1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- 2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph 1) or 2) above.

However, unless Paragraph 1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**B. The following is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

#### **2. Exclusions**

This insurance does not apply to:

##### **Access Or Disclosure Of Confidential Or Personal Information**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.





INTERLINE

IL 01 47 (Ed. 9/11) UF-A518

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS CHANGES – CIVIL UNION**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
FARM COVERAGE PART  
FARM UMBRELLA LIABILITY POLICY  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCT WITHDRAWAL COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**A. The term "spouse" is replaced by the following:**

Spouse or party to a civil union recognized under Illinois law.

**B. Under the Commercial Auto Coverage Part, the term "family member" is replaced by the following:**

"Family member" means a person related to the:

1. Individual Named Insured by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of such Named Insured's household, including a ward or foster child; or
2. Individual named in the Schedule by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of the individual's household, including a ward or foster child, if the Drive Other Car Coverage – Broadened Coverage For Named Individual Endorsement is attached.

**C. With respect to coverage for the ownership, maintenance, or use of "covered autos" provided under the Commercial Liability Umbrella Coverage Part, the term "family member" is replaced by the following:**

"Family member" means a person related to you by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of your household, including a ward or foster child.

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**CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

COMMERCIAL INLAND MARINE COVERAGE PART(S)

FIVESTAR CONTRACTORS' COMMERCIAL PROPERTY COVERAGE PART

ULTRAFLEX COMMERCIAL PROPERTY COVERAGE PART

ULTRAPACK COMMERCIAL PROPERTY COVERAGE PART

ULTRASURE FOR PROPERTY OWNERS' COMMERCIAL PROPERTY COVERAGE PART

ULTRASURE FOR LANDLORDS POLICY

**A. Cap On Certified Terrorism Losses**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**B. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Reaction or Radiation Exclusion or the War Exclusion.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**ILLINOIS AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART**

**A. Other Insurance of Section X - Commercial Property Conditions** is replaced by the following:

**Other Insurance**

You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.

If there is other insurance covering the same loss or damage, other than that described in the above paragraph, we will pay only for the amount of covered loss or damage in excess of the amount due from

that other insurance, whether you can collect on it or not. But, we will not pay more than the applicable Limit of Insurance.

**B. Suits Against Us of Section X - Commercial Property Conditions** is replaced by the following:

**Suits Against Us**

We may not be sued unless there is full compliance with all the terms of this policy. Suit must be brought within two years after the "loss" occurs.

However, this two year period is extended by the number of days between the date proof of loss is submitted and the date the claim is denied in whole or in part.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**INCOME PROTECTION – ACTUAL LOSS SUSTAINED**

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART**

I. Paragraph A. **Additional Income Protection Coverage of Section I - Additional Income Protection - Coverage 3** is replaced by the following:

**INCOME PROTECTION – ACTUAL LOSS SUSTAINED - COVERAGE 3**

**A. Income Protection Coverage**

Income Protection means loss of "income" you sustain due to "interruption of business" resulting directly from "loss" or damage to property on the premises described in the "Declarations" from an insured peril. "Loss" or damage also includes covered property in the open, or in a vehicle, on the premises described in the "Declarations" or within 1,500 feet thereof.

If you are a tenant, your premises are the portion of the building described in the "Declarations" which:

1. You rent, lease, or occupy;
2. All routes within the building that service or are used to gain access to the described premises; and
3. The area within 1,500 feet of the premises described in the "Declarations" (with respect to "loss" or damage to covered property in the open or in a vehicle).

**B. Extra Expense Coverage**

"Extra expense" coverage is provided at the premises described in the "Declarations".

"Extra expense" means necessary expenses you incur due to partial or total "interruption of business" resulting directly from "loss" or damage to property on the premises described in the "Declarations" from a peril insured against. "Loss" or damage also includes property in the open, or in a vehicle, on the premises described in the "Declarations" or within 1,500 feet thereof.

We will pay necessary actual and necessary "extra expenses" (other than the expense to repair or replace property) sustained by you to:

1. Avoid or minimize the "interruption of business" and to continue your business operations:
  - a. At the premises described in the "Declarations"; or
  - b. At replacement premises or at temporary locations, including:
    - 1) Relocation expenses; and
    - 2) Costs to equip and operate the replacement or temporary locations.

2. Minimize the "interruption of business" if you cannot continue your business operations to the extent it reduces the amount of loss that would have been payable under loss of "income" or "rental income".

We will not pay any "loss" or damage to your Building(s) or Business Personal Property and Personal Property of Others. We also will not pay the cost of research or any other expense to replace or restore your valuable papers and records or "electronic data". We will pay the cost to repair or replace your covered property and the amount to research, replace, or restore the lost information on damaged valuable papers and records or "electronic data" to the extent it reduces the amount of loss that would have been payable under loss of "income" or "rental income".

**C. Additional Coverages**

**1. Civil Authority**

When a peril insured against causes damage to property other than property at the premises described in the "Declarations", we will pay for the actual loss of "income" or "rental income" you sustain and necessary "extra expense" caused by action of civil authority that prohibits access to the premises described in the "Declarations" provided that both of the following apply:

- a. Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the premises described in the "Declarations" are within that area of the damaged property; and
- b. The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the peril insured against that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority coverage for "income" or "rental income" will begin 72 hours after the time of the first action of civil authority that prohibits access to the premises described in the "Declarations" and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority coverage for "extra expense" will begin immediately after the time of the first action of civil authority that prohibits access to the premises described in the "Declarations" and will end:

- a. Four consecutive weeks after the date of that action; or
  - b. When your Civil Authority coverage for "income" and "rental income" ends;
- whichever is later.

**2. Full Resumption of Operations**

We will also pay your actual loss of "income" or "rental income" for an additional 60 days if your "income" or "rental income" after operations are resumed is less than your "income" or "rental income" before the loss. The additional amount we will pay will start after the later of the following times:

- a. The date on which the liability for Income Protection – Actual Loss Sustained – Coverage 3 would terminate if this clause had not been included; or
- b. The date on which repair, replacement, or rebuilding of such part of the damaged or destroyed property described in the "Declarations" is actually completed.

**D. Amount of Insurance**

We will pay the actual loss of "income" or "rental income" sustained by you.

The "income" or "rental income" loss sustained by you shall not exceed:

1. The actual reduction of "income" or "rental income" during the "interruption of business"; and
2. The reduction in rents received less charges and expenses which do not necessarily continue during the "interruption of business" or during the period when the tenant cannot inhabit the premises.

We will pay up to \$100 a day, for seven days, after your business is suspended to cover loss of "income" or "rental income" sustained by you while you are determining your actual income protection loss. The amount paid will be subtracted from your actual loss of "income" or "rental income".

We will pay the actual income protection loss for only such length of time as would be required to resume normal business operations. We will limit the time period to the shorter of the following periods:

1. The time period required to rebuild, repair, or replace such part of the Building or Business Personal Property that has been damaged or destroyed as a direct result of an insured peril; or
2. Twelve (12) consecutive months from the date of loss.

Payment of loss of "income" or "rental income" is not limited by the end of the policy period.

**II. Income Protection Coverage of Section VIII - Extensions of Coverage, is deleted.**



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## PRODUCTION OR PROCESS MACHINERY - DEDUCTIBLE

This endorsement modifies insurance provided under the following:

### ULTRAFLEX COMMERCIAL PROPERTY COVERAGE PART

**A. The following is added to Section V - Deductibles:**

We will pay the amount of "loss" to "production or process machinery" caused by an "accident" or "electronic circuitry impairment" in any one occurrence which is in excess of:

1. \$1,000;
2. The deductible amount shown in the "Declarations"; or
3. The deductible amount applying to Building(s) – Coverage 1 and Business Personal Property and Personal Property of Others – Coverage 2;

whichever amount is greater.

For Additional Income Protection Coverage – Coverage 3, if the loss to "production or process machinery" is caused by an "accident" or "electronic circuitry impairment", we will pay the amount of "income" and/or "rental income" loss which is in excess of one day multiplied by the "average daily value".

Should the policy deductible apply to the same "loss", only the deductibles for "production or process machinery" plus income protection or the policy deductible, whichever is the greater amount, shall be used.

**B. The following definitions are added to Section XI - Definitions:**

"Average daily value" means the loss of "income" and/or "rental income" for that location that you would have earned had no "accident" or "electronic circuitry impairment" occurred during the "interruption of business" divided by the number of days in that period.

We will make no reduction for loss of "income" and/or "rental income" not being earned, or the number of working days, because the "accident" or "electronic circuitry impairment" occurred, or any other scheduled or unscheduled shutdowns during the "interruption of business". If the Business Income and Extra Expense dollar deductible is expressed as a number times the "average daily value", that amount will be calculated as follows:

The "average daily value" will be the "income" and/or "rental income" for the entire location that would have been earned had no "accident" or "electronic circuitry impairment" occurred during the period of "interruption of business" divided by the number of working days in that period. No reduction shall be made for the "income" and/or "rental income" not being earned or in the number of working days, because of the "accident" or "electronic circuitry impairment" or any other scheduled or unscheduled shutdowns during the period of interruption. The "average daily value" applies to all locations included in the valuation of the loss.

The number indicated in the "Declarations" will be multiplied by the "average daily value" as determined above. The result will be used for the Business Income and Extra Expense dollar deductible.

**Example**

Business is interrupted partially or completely for 10 days. If there had been no "accident" or "electronic circuitry impairment", the total location income for those 10 days would have been \$5,000. The Income Protection Deductible is 3 times the "average daily value".

\$5,000 divided by 10 = \$500 "average daily value".

3 times \$500 = \$1,500 Loss of Income Protection Deductible.

"Production or process machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus.

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## **THIS IS A CLAIMS-MADE AND REPORTED COVERAGE ENDORSEMENT.**

### **EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE ENDORSEMENT - ILLINOIS**

Throughout this Coverage Endorsement (hereinafter referred to as "EPL Coverage"), the words "you" and "your" refer to the "named insured(s)" shown in the Declarations and any other person(s) or organization(s) qualifying as a "named insured" under this EPL Coverage. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under SECTION III. WHO IS AN INSURED.

Other words and phrases that appear in "quotations" have special meaning. Refer to SECTION VII. DEFINITIONS.

The terms and conditions of the Cancellation Clause of the General Policy Conditions and any amendment to such terms incorporated by endorsement are hereby incorporated herein and shall apply to coverage as is afforded by this EPL Coverage, unless specifically stated otherwise in an endorsement(s) attached hereto.

#### **SECTION I. WHAT IS COVERED**

##### **A. Insuring Agreement**

1. "We" shall pay those "losses" arising out of an "insured's" "wrongful employment act" (other than a "third party violation") against "your" "employees", "recognized volunteers" and applicants for employment to which this insurance applies.
2. If coverage for "third party violations" is shown in the Declarations, then "we" shall pay those "losses" arising out of an "insured's" "third party violation".
3. For coverage to apply under this EPL Coverage, the "wrongful employment act" must commence or take place after the Retroactive Date, but before the end of the "EPL coverage period". If no Retroactive Date appears in the Declarations then the Retroactive Date shall be the date of organization of the "named insured". A "claim" or "suit" for a "wrongful employment act" must be first made against "you" during the "EPL coverage period" or any Extended Reporting Periods (if applicable) and reported to "us" pursuant to the terms of this EPL Coverage.
4. A "claim" or "suit" by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:
  - a. When written notice of such "claim" or "suit" is received and recorded by any "insured" or by "us", whichever comes first; or
  - b. When "we" make any settlement in accordance with the terms of this EPL Coverage.

##### **B. Defense**

1. "We" have the right and duty to defend and appoint an attorney to defend any "claim" or "suit" brought against any "insured" for a "wrongful employment

act" to which this insurance applies, even if the "claim" or "suit" is groundless or fraudulent.

At the time a "claim" or "suit" is first reported to "us", "you" may request that "we" appoint a defense attorney of "your" choice. "We" will give full consideration to any such request.

2. "We" have the right to investigate and settle any "claim" or "suit" that "we" believe is proper. "You" shall be entitled to consent to such settlement, provided "your" consent is not unreasonably withheld and is provided as soon as practicable.

If "you" refuse to consent to any settlement that "we" recommend and that is acceptable to the claimant, then "our" liability under this EPL Coverage for such "claim" or "suit" shall not exceed the amount for which we could have settled had "your" consent not been withheld at the time of "our" recommendation. "You" shall thereafter negotiate and defend that "claim" or "suit" at "your" own cost and without "our" involvement.

3. "We" shall pay all reasonable costs "we" ask the "insured" to incur while helping "us" investigate or defend a "claim" or "suit". "We", however, will not pay more than \$250 per day for earnings lost by the "insured" because of time taken off from work.
4. "We" shall pay premiums for appeal bonds, or bonds to release property being used to secure a legal obligation, for a covered "suit". These payments shall be in addition to and not part of "our" EPL Aggregate Limit of Liability. "We" shall only pay, however, for bonds valued up to "our" EPL Aggregate Limit of Liability. "We" shall have no obligation to appeal or to obtain these bonds.

5. Payments for "defense costs" are included within the EPL Aggregate Limit of Liability. They are not in addition to the EPL Aggregate Limit of Liability. "Our" duty to defend or to make payment of any "claim" or "suit" pursuant to Paragraphs 1. through 4. of this Clause B., ends after the EPL Aggregate Limit of Liability has been exhausted by payment of "loss", including "defense costs".
6. "We" shall pay all interest awarded by a court on that amount of any judgment within the EPL Aggregate Limit of Liability:
  - a. Which accrues after entry of judgment; and
  - b. Which accrues after entry of judgment and before "we" pay, offer to pay, or deposit in court that part of the judgment within the EPL Aggregate Limit of Liability.

The forgoing interest payments shall be in addition to and not part of the EPL Aggregate Limit of Liability.

#### **C. Transfer of Control**

1. "You" may take over control of any outstanding "claim" or "suit" previously reported to "us", but only if "we", in "our" sole discretion, decide that "you" should, or if a court orders "you" to do so.
2. Notwithstanding Paragraph 1. of this Clause C., in all events, if the EPL Aggregate Limit of Liability is exhausted, "we" will notify "you" of all outstanding "claims" or "suits" and "you" will take over control of the defense. "We" will help transfer control of the "claims" and "suits" to "you".
3. "We" shall take whatever steps are necessary to continue the defense of any outstanding "claim" or "suit" and avoid a default judgment during the transfer of control to "you". If "we" do so, "we" shall not waive or give up any of "our" rights. "You" shall pay all reasonable expenses "we" incur for taking such steps after the EPL Aggregate Limit of Liability is exhausted.

## **SECTION II. EXCLUSIONS - WHAT IS NOT COVERED**

This insurance does not apply to:

### **A. Criminal Acts**

Any liability arising out of any dishonest, fraudulent, criminal, or malicious act by or at the direction of any "insured". However, to the extent that a "claim" or "suit" is otherwise covered under this EPL Coverage "we" will defend a "claim" or "suit" asserting a dishonest, fraudulent, criminal, or malicious act until such time as the "insured" is determined to have committed such dishonest, fraudulent, criminal, or malicious act.

The "wrongful employment act(s)" of an "insured" shall not be imputed to any other "insured" for the purpose of determining the applicability of this Exclusion A..

### **B. "Property Damage"**

Any liability arising out of "property damage".

### **C. "Bodily Injury"**

Any liability arising out of "bodily injury".

### **D. Worker's Compensation, Social Security and Unemployment, Disability and Retirement Benefits**

Any liability arising out of any obligation pursuant to any worker's compensation, disability benefits, unemployment compensation, unemployment insurance, retirement benefits, social security benefits or similar law. This exclusion, however, shall not apply to "loss" arising from a "claim" or "suit" for "retaliation".

### **E. Contractual Liability**

Any liability arising out of any actual or alleged contractual liability of any "insured" under any express contract or agreement. This exclusion, however, shall not apply to any liability the "insured" would have in the absence of such express contract or agreement.

### **F. ERISA, FLSA, NLRA, WARN, COBRA, and OSHA**

Any liability for violation(s) of any of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, any rules or regulations of the foregoing promulgated thereunder, and amendments thereto or any similar federal, state, local or foreign statutory law or common law.

It is acknowledged that "claims" and "suits" for violation(s) of any of the responsibilities, obligations or duties imposed by "similar federal, state, local or foreign statutory law or common law", as such quoted language is used in the immediately-preceding paragraph, include, without limitation, any and all "claims" and "suits" which in whole or in part allege, arise out of, are based upon, are attributable to, or are in any way related to any of the circumstances described in any of the following:

1. The refusal, failure or inability of any "insured(s)" to pay wages or overtime pay (or amounts representing such wages or overtime pay) for services rendered or time spent in connection with work related activities (as opposed to tort-based back pay or front pay damages for torts other than conversion);
2. Improper deductions from pay taken by any "insured(s)" from any "employee(s)" or purported "employee(s)"; or

3. Failure to provide or enforce legally required meal or rest break periods.

Notwithstanding the foregoing, this Exclusion F. shall not apply to the extent that a "claim" or "suit" is for "retaliation".

#### **G. Prior Knowledge**

Any liability arising out of incidents, circumstances or "wrongful employment acts", which an "insured":

1. Had knowledge of; or
2. Could have reasonably foreseen might result in a "claim" or "suit"

and which were known to the "insured" prior to the effective date of this EPL Coverage or the first EPL Coverage issued by "us" of which this EPL Coverage is an uninterrupted renewal.

#### **H. Prior Notice**

Any liability arising out of the facts alleged, or to the same or "related wrongful employment acts" alleged or contained in any "claim" or "suit" which has been reported, or in any circumstances of which notice has been given, under any policy of which this EPL Coverage is a renewal or replacement or which it may succeed in time.

#### **I. Prior Litigation**

Any liability arising out of any prior:

1. Litigation; or
2. Administrative or regulatory proceeding or investigation

of which an "insured" had notice, or alleging the same or "related wrongful employment acts" alleged or contained in such pending or prior litigation or administrative or regulatory proceeding or investigation which the "insured" had knowledge of prior to the effective date of this EPL Coverage or the first EPL Coverage issued by "us" of which this EPL Coverage is an uninterrupted renewal.

### **SECTION III. WHO IS AN INSURED**

#### **A. Individual**

If "you" are shown in the Declarations of this EPL Coverage as an individual, "you" and "your" spouse or party to a civil union under Illinois law are "insureds", only for the conduct of a business of which "you" are the sole owner.

#### **B. Corporation**

If "you" are shown in the Declarations as a corporation or organization other than a partnership, joint venture, or limited liability company, "you" and "your" "subsidiaries" are "insureds".

#### **C. Partnership or Joint Venture**

If "you" are shown in the Declarations as a partnership or joint venture, "you" are an "insured". "Your" members, partners or co-venturers and their spouses or parties to a civil union under Illinois law are also "insureds", but only for the conduct of "your" business.

#### **D. Limited Liability Company**

If "you" are shown in the Declarations as a limited liability company, "you" are an "insured". "Your" members are also "insureds", but only with respect to the conduct of "your" business. "Your" managers are "insureds", but only with respect to their duties as "your" managers.

#### **E. Trusts**

If "you" are shown in the Declarations as a trust, "you" are an "insured". "Your" trustees are also "insureds", but only with respect to their duties as trustees.

#### **F. "Employees"**

"Your" "employees", executive officers and directors are "insureds", only for the conduct of "your" business within the scope of their employment or their duties as executive officers or directors.

#### **G. Extensions**

1. Subject otherwise to the terms hereof, this EPL Coverage shall cover "loss" arising from any "claims" or "suits" made against the estates, heirs, or legal representative of deceased individual "insureds", and the legal representatives of individual "insureds", in the event of incompetency, who were individual "insureds" at the time the "wrongful employment acts", upon which such "claims" or "suits" are based, were committed.
2. Subject otherwise to the terms hereof, this EPL Coverage shall cover "loss" arising from all "claims" and "suits" made against the lawful spouse (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) or party to a civil union under Illinois law of an individual "insured", including a "claim" or "suit" that seeks damages recoverable from marital community property, property jointly held by the individual "insured" and the spouse or party to a civil union under Illinois law, or property transferred from the individual "insured" to the spouse or party to a civil union under Illinois law; provided, however, that this extension shall not afford coverage for a "claim" or "suit" arising out of any "wrongful employment act" of the spouse, party to a civil union under Illinois law, but shall apply only to "claims" or "suits" arising out of any "wrongful employment acts" of an individual "insured", subject to this EPL Coverage's terms, conditions and exclusions.



#### **SECTION IV. LIMIT OF LIABILITY (including "defense costs")**

- A. The EPL Aggregate Limit of Liability shown in the Declarations of this EPL Coverage and the information contained in this section limits the most "we" shall pay for all "loss" (other than pre- and post-judgment interest described in **Section I.**, Clause **B.**, Paragraph **6.**) arising out of "claims" and "suits" first made against "insureds" during the "EPL coverage period" regardless of:
1. The number of persons or organizations covered by this EPL Coverage; or
  2. The number of "claims" made or "suits" brought; or
  3. The length of the "EPL coverage period".
- B. The EPL Aggregate Limit of Liability is the most "we" shall pay for all "losses" (other than pre- and post-judgment interest described in **Section I.**, Clause **B.**, Paragraph **6.**), including amounts incurred for "defense costs".
- C. The EPL Aggregate Limit of Liability for the Extended Reporting Periods (if applicable) shall be part of, and not in addition to the EPL Aggregate Limit of Liability for the "EPL coverage period".
- D. All "claims" and "suits" arising from the same or "related wrongful employment acts" shall be treated as arising out of a single "wrongful employment act".
- E. All "claims" or "suits" arising out of one "wrongful employment act" shall be deemed to be made on the date that the first such "claim" is made or "suit" is brought. All "claims" asserted in a "class action suit" will be treated as arising out of a single "wrongful employment act".
- F. Any "claim" or "suit" which is made subsequent to the "EPL coverage period" or Extended Reporting Periods (if applicable) which, pursuant to **Section VI.**, Clause **D.**, Paragraphs **3.** and **4.** is considered made during the "EPL coverage period" or Extended Reporting Periods (if applicable) shall also be subject to the one EPL Aggregate Limit of Liability stated in the Declarations.

#### **SECTION V. DEDUCTIBLE**

"You" shall be responsible for the deductible amount shown in the Declarations of this EPL Coverage with respect to each "claim" and "suit" and "you" may not insure against it. A single deductible amount shall apply to "loss" arising from all "claims" and "suits" alleging the same "wrongful employment act" or "related wrongful employment acts". Expenses "we" incur in investigating, defending and settling "claims" and "suits" are included in the deductible. The deductible is not included within the EPL Aggregate Limit of Liability.

At "our" option, "we" may pay any part or all of the EPL Deductible Amount to effect settlement of any "claim" or "suit" and upon notification of the action taken, "you" shall promptly

reimburse "us" for such part of the deductible that has been paid by "us".

#### **SECTION VI. CONDITIONS**

"We" have no duty to provide coverage under this EPL Coverage, unless there has been full compliance with all Conditions contained in this EPL Coverage.

##### **A. Assignment**

The interest of any "insured" is not assignable. "You" cannot assign or transfer "your" interest in the EPL Coverage without "our" written consent attached to the EPL Coverage.

##### **B. Bankruptcy or Insolvency**

"Your" bankruptcy, insolvency or inability to pay, will not relieve "us" from the payment of any "claim" or "suit" covered by this EPL Coverage.

Under no circumstances will "your" bankruptcy, insolvency, or inability to pay require "us" to drop down, in any way replace, or assume any of "your" obligations with respect to the Deductible provisions of this EPL Coverage.

##### **C. Coverage Territory**

"We" cover "wrongful employment acts" anywhere in the world, but only if the "claim" is made and the "suit" is brought for such "wrongful employment act" in the United States of America, its territories and possessions, Puerto Rico, or Canada.

##### **D. Duties in the Event of an Incident, "Claim" or "Suit"**

1. If, during the "EPL coverage period", incidents or events occur which "you" reasonably believe may give rise to a "claim" or "suit" for which coverage may be provided hereunder, such belief being based upon either written notice from the potential claimant or the potential claimant's representative; or notice of a complaint filed with EEOC, DOL or OFCCP (or similar federal, state or local agency); or upon an oral "claim", allegation or threat, "you" shall give written notice to "us" as soon as practicable and either:
  - a. Anytime during the "EPL coverage period" ; or
  - b. Anytime during the Extended Reporting Periods (if applicable).
2. If a "claim" is made or a "suit" is brought against any "insured", "you" must:
  - a. Immediately record the specifics of the "claim" or "suit" and the date received; and
  - b. Provide "us" with written notice, as described in Paragraph **3.** of this Clause **D.**, as soon as practicable.
3. Such written notice of "claim" or "suit" shall contain:



- a. The identity of the person(s) alleging a "wrongful employment act";
- b. The identity of the "insured(s)" who allegedly were involved in the incidents or events;
- c. The date the alleged incidents or events took place; and
- d. The written notice or a memorandum of the oral "claim", allegation or threat referred to above.

If written notice is given to "us" during the "EPL coverage period" or Extended Reporting Periods (if applicable), pursuant to the above requirements, then any "claim" or "suit" which is subsequently made against any "insureds" and reported to "us" alleging, arising out of, based upon or attributable to such circumstances or alleging any "related wrongful employment act" to such circumstances, shall be considered made at the time such notice of such circumstances was first given.

4. If "you" submit written notice of a "claim" or "suit", pursuant to this Clause D., then any "claim" or "suit" that may subsequently be made against an "insured" and reported to "us" alleging the same or a "related wrongful employment act" to the "claim" or "suit" for which such notice has been given shall be deemed, for the purpose of this insurance, to have been first made during the "EPL coverage period" or Extended Reporting Period (if applicable) in effect at the time such written notice was first submitted to "us".
5. "You" and any other "insured" must:
  - a. Immediately send "us" copies of any demands, notices, summonses or legal papers received in connection with any "claim" or "suit";
  - b. Authorize "us" to obtain records and other information;
  - c. Cooperate with "us" in the investigation, settlement or defense of the "claim" or "suit";
  - d. Assist "us", upon "our" request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of injury or damage to which this insurance may also apply;
  - e. Not take any action, nor fail to take any required action, that prejudices the rights of the "insureds" or "us" with respect to such "claim" or "suit".
6. No "insureds" will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without "our" prior written consent.

**E. Transfer of Rights of Recovery Against Others to "Us"**

"You" may be able to recover all or part of a "loss" from someone other than "us". "You", therefore, shall do all that is possible after a "loss" to preserve any such right of recovery. If "we" make a payment under this EPL Coverage, that right of recovery shall belong to "us". "You" shall do whatever is necessary, including signing documents, to help "us" obtain that recovery.

**F. Extended Reporting Periods**

1. "You" shall have the right to the Extended Reporting Periods described in Paragraph 2. of this Clause F., in the event that:
  - a. "You" or "we" shall cancel this EPL Coverage;
  - b. "You" or "we" shall refuse to renew this EPL Coverage; or
  - c. "We" renew this EPL Coverage on an other than a claims-made basis or with a Retroactive Date later than the Retroactive Date shown in the Declarations.
2. If an event as specified in Paragraph 1. of this Clause F. has occurred, "you" shall have the right to the following:
  - a. An Automatic Extended Reporting Period of thirty (30) days after the effective date of cancellation or nonrenewal at no additional premium in which to give "us" written notice of "claims" first made or "suits" first brought against the "insureds" during said Automatic Extended Reporting Period for any "wrongful employment acts" occurring before the end of the "EPL coverage period" and are otherwise covered by this EPL Coverage; and
  - b. Upon payment of an additional premium of 100% of the full annual premium applicable to this EPL Coverage, a Supplemental Extended Reporting Period of one (1) year immediately following the effective date of cancellation or nonrenewal in which to give to "us" written notice of "claims" first made or "suits" first brought against the "insureds" during said Supplemental Extended Reporting Period for any "wrongful employment acts" occurring before the end of the "EPL coverage period" and are otherwise covered by this EPL Coverage.

To obtain a Supplemental Extended Reporting Period, "you" must request it in writing and pay the additional premium due, within thirty (30) days of the effective date of cancellation or nonrenewal. The additional premium for the Supplemental Extended Reporting Period shall be fully earned at the inception of the Supplemental Extended Reporting Period. If "we" do not receive the written request as required, "you" may not exercise this right at a later date.

This insurance, provided during the Supplemental Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.

#### **G. Change in Control of "Named Insured"**

In the event of a "Transaction" then this EPL Coverage shall continue in full force and effect as to "wrongful employment acts" occurring prior to the effective time of the "Transaction", but there shall be no coverage afforded by any provision of this EPL Coverage for any actual or alleged "wrongful employment acts" occurring after the effective time of the "Transaction". This EPL Coverage may not be cancelled after the effective time of the "Transaction" and the entire premium for this EPL Coverage shall be deemed earned as of such time. "You" shall also have the right to the Extended Reporting Periods described in Clause F. of this **Section VI.**

"You" shall give "us" written notice of the "Transaction" as soon as practicable, but not later than thirty (30) days after the effective date of the "Transaction".

#### **H. Legal Action Against "Us"**

No person or organization has the right to join "us" as a party or otherwise bring "us" into a "suit" asking for damages from an "insured".

#### **I. Other Insurance**

Unless expressly written to be excess over other applicable insurance, it is intended that the insurance provided by this EPL Coverage shall be primary.

#### **J. EPL Coverage Changes**

This EPL Coverage contains all the agreements between "you" and "us" concerning this insurance. The first "named insured" in the Declarations is authorized to request changes in this EPL Coverage. This EPL Coverage can only be changed by a written endorsement "we" issue and make part of this EPL Coverage.

#### **K. Special Rights and Duties of the First "Named Insured"**

"You" agree that when there is more than one person and/or entity covered under this EPL Coverage, the first "named insured" in the Declarations of this EPL Coverage shall act on behalf of all "insureds" as to:

1. Giving of notice of a "claim" or "suit";
2. Giving and receiving notice of cancellation or nonrenewal, provided, however, in the event of a cancellation or nonrenewal by "us", "we" will notify all "named insureds" in the Declarations of this EPL Coverage;
3. Payment of premiums and receipt of return premiums;
4. Acceptance of any endorsements issued to form a part of this EPL Coverage; or
5. Purchasing or deciding not to purchase the Supplemental Extended Reporting Period.

#### **L. Separation of Insureds**

Except with respect to the EPL Aggregate Limit of Liability and any rights or duties specifically assigned to the first "named insured" in Clause L. of this **Section VI.**, this insurance applies:

1. As if each "named insured" were the only "named insured"; and
2. Separately to each insured against whom a "claim" or "suit" is made.

#### **M. Tie-In of Limits**

As respects any "claim" or "suit" in which at least one person/entity claimed against is an "insured" under this EPL Coverage and at least one person/entity claimed against is an "insured" under any other EPL Coverage issued to "you" by "us" (the "Other Policy"), the combined EPL Aggregate Limit of Liability under both this EPL Coverage and the Other Policy for all "losses" arising from such "claims" or "suits" combined shall not exceed the highest applicable limit of insurance under either this EPL Coverage or the Other Policy. This limitation shall apply even if both this EPL Coverage and the Other Policy have been triggered due to a "claim" or "suit" made against the same person/entity but alleging "wrongful employment acts" both in his, her or its capacity as an insured under the "Other Policy" and as an "insured" under this EPL Coverage.

#### **N. Headings**

The descriptions in the headings of this EPL Coverage are solely for convenience, and form no part of the terms and conditions of coverage.

### **SECTION VII - DEFINITIONS**

- A.** "Bodily injury" means physical injury, sickness, or disease, including death resulting therefrom.
- B.** "Claim" means a written demand for monetary and non-monetary relief (including any request to toll or waive any statute of limitations). The term "claim" shall also mean an Equal Employment Opportunity Commission (EEOC), Department of Labor (DOL) or Office of Federal Contract Compliance Program (OFCCP) (or similar federal, state or local agency) proceeding or investigation commenced by the filing of a notice of charges, service of a complaint or similar document of which notice has been given to "you". However, in no event, shall the term "claim" include any labor or grievance proceeding, which is subject to a collective bargaining agreement.

- C. "Class action suit" means any suit seeking certification or certified as a class action by a federal or state court.
- D. "Defense costs" means reasonable and necessary fees, costs and expenses consented to by "us" resulting solely from the investigation, adjustment, defense and appeal of a "claim" or "suit" against "you". In no event shall "Defense Costs" include "your" or "our" routine on-going expenses, including, without limitation, the salaries of "your" or "our" "employees", officers, or staff attorneys.

- E. "Employee" means an individual whose labor or service is engaged by and directed by "you" for remuneration, whether such individual is in a supervisory, co-worker or subordinate position or otherwise, including any part-time, seasonal, and temporary "employees".

An individual who is an independent contractor or leased to "you" shall also be an "employee". Independent contractors who do not provide ongoing and routine services solely for "you" shall not be considered "employees", including but not limited to independent trade contractors (e.g. plumber, electrician).

- F. "EPL coverage period" means the period commencing on the effective date shown in the Declarations. This period ends on the earlier of the expiration date or the effective date of cancellation of this EPL Coverage. If "you" became an "insured" under this EPL Coverage after the effective date, the "EPL coverage period" begins on the date "you" became an "insured".

- G. "Loss(es)" means monetary amounts to which this insurance applies and which "you" are legally obligated to pay (including front pay and back pay), judgments, settlements, pre- and post-judgment interest on that part of any judgment paid by "us", statutory attorney fees, and "defense costs"; however, "loss" shall not include:

1. Civil or criminal fines or penalties imposed by law;
2. Taxes;
3. Employment related benefits, stock options, perquisites, deferred compensation or any other type of compensation other than salary, wages or bonus compensation;
4. Any liability or costs incurred by any "insured" to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person, or any liability or costs incurred in connection with any educational, sensitivity or other corporate program, policy or seminar; or
5. Matters which may be deemed uninsurable under the law pursuant to which this EPL Coverage shall be construed.
6. Punitive or exemplary damages.

- H. "Named insured" means the person or organization designated in the Declarations.

- I. "Property damage" means physical injury to, or destruction of, tangible property including the loss of use thereof, or loss of use of tangible property, which has not been physically injured or destroyed.

- J. "Recognized volunteer" means an uncompensated individual who volunteers labor or services to "you", but only when performing such labor or services at the request of and under the direction of "you".

- K. "Related wrongful employment act(s)" means "wrongful employment acts" which are the same, related or continuous, or "wrongful employment acts" which arise from a common nucleus of facts. "Claims" or "suits" can allege "related wrongful employment acts", regardless of whether such "claims" or "suits" involve the same or different claimants, "insureds" or legal causes of actions.

- L. "Retaliation" means a "wrongful employment act" of an "insured" alleged to be in response to, the actual or attempted exercise by an "employee" of any right that such "employee" has under the law. Provided, however, "retaliation" shall not include the "wrongful employment act" of an "insured" alleged to be in response to the threat of or the actual filing of any "claim" or "suit" under the Federal False Claims Act or any other federal, state, local or foreign "whistleblower law".

- M. "Subsidiary" means:

1. Any for-profit organization which, on or before the inception of the "EPL coverage period", is more than fifty (50%) percent owned by the "named insured", either directly or indirectly through one or more of its "subsidiaries"; or
2. A for-profit organization which becomes a "subsidiary" during the "EPL coverage period", but only upon the condition that within ninety (90) days of its becoming a "subsidiary", the "named insured" shall have provided "us" with full particulars of the new "subsidiary" and agreed to any additional premium or amendment of the provisions of this EPL Coverage required by "us" relating to such new "subsidiary". Further, coverage as shall be afforded to the new "subsidiary" is conditioned upon the "named insured" paying when due any additional premium required by "us" relating to such new "subsidiary".

An organization becomes a "subsidiary" when the "named insured" owns more than fifty (50%) percent ownership interest in such "subsidiary", either directly, or indirectly through one or more of its "subsidiaries". An organization ceases to be a "subsidiary" when the "named insured" ceases to own more than fifty (50%) percent ownership in such "subsidiary", either directly, or indirectly through one or more of its "subsidiaries".

In all events, coverage as is afforded under this EPL Coverage with respect to a "claim" made or "suit"

brought against any "subsidiary" or an "insured" of any "subsidiary", shall only apply to "wrongful employment act(s)" commenced or allegedly commenced after the effective time that such "subsidiary" became a "subsidiary", and prior to the time that such "subsidiary" ceased to be a "subsidiary".

- N. "Suit" means a civil proceeding or an administrative proceeding seeking money damages, and includes an arbitration, mediation or any other alternative dispute resolution procedure seeking such damages, to which the "insured" must submit or may submit with "our" consent. "Suit" shall not include any civil proceeding or administrative proceeding arising from any labor or grievance dispute which is subject to a collective bargaining agreement.
- O. "Third party violation" means any actual or alleged discrimination or sexual harassment against "your" customers, vendors or clients. "Third party violation" shall also include any of the following as it relates to such discrimination or sexual harassment:
1. Violation of an individual's civil rights;
  2. Libel;
  3. Slander;
  4. Humiliation;
  5. Mental anguish;
  6. Infliction of emotional distress;
  7. Defamation; or
  8. Invasion of privacy.
- P. "Transaction" means any of the following that occur during the "EPL coverage period":
1. The "named insured" shall consolidate with or merge into, or sell all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or
  2. Any person or entity or group of persons or entities acting in concert shall acquire an amount of the outstanding securities representing more than fifty (50%) percent of the voting power for the election of directors or General Partners of the "named insured" (in the event the "named insured" is a Partnership), or acquires the voting rights of such an amount of such securities; or
  3. A General Partner of the "named insured" (in the event the "named insured" is a partnership) withdraws, resigns or is terminated.
- Q. "Whistleblower law" means a statute, rule or regulation, which protects an "employee" against discrimination from his or her employer, if the "employee" discloses or threatens to disclose to a superior or any governmental agency; or who gives testimony relating to, any action with respect to the employer's operations, which may be a violation of public policy as reflected in legislation, adminis-

trative rules, regulations or decisions, judicial decisions, and professional codes of ethics.

- R. "Wrongful employment act(s)" means any actual or alleged:
1. Wrongful dismissal, discharge or termination (either actual or constructive), including breach of an implied contract;
  2. Harassment or coercion (including sexual harassment, whether quid pro quo, hostile work environment or otherwise);
  3. Discrimination (including but not limited to discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy or disability);
  4. "Retaliation" (including lockouts);
  5. Employment-related misrepresentation(s) to "your" "employee" or applicant for employment with "you";
  6. Employment-related libel, slander, humiliation, mental anguish, infliction of emotional distress, defamation, or invasion of privacy;
  7. Wrongful failure to employ or promote;
  8. Wrongful deprivation of career opportunity, wrongful demotion or negligent "employee" evaluation, including the giving of negative or defamatory statements in connection with an "employee" reference;
  9. Wrongful discipline;
  10. Failure to provide or enforce adequate or consistent corporate policies and procedures relating to any "wrongful employment act";
  11. Negligent supervision or hiring by an "insured", relating to any of the above;
  12. Violation of an individual's civil rights relating to any of the above; or
  13. "Third party violations", but only if coverage for "third party violations" is shown in the Declarations.

ERIE INSURANCE  
ULTRAFLEX PACKAGE  
ULTRAPACK PLUS  
UF-0168 (Ed. 1/20)

## IMPORTANT NOTICE – EMPLOYMENT PRACTICES LIABILITY LOSS PREVENTION RESOURCES AVAILABLE

Thank you for purchasing Employment Practices Liability (EPL) coverage from ERIE. We appreciate the trust you have placed in us.

As an ERIE EPL customer, we're happy to offer you helpful loss prevention resources such as access to a loss prevention website and a 1-877 legal helpline.

### Loss Prevention Website

The website provides current, comprehensive content, including a model employee handbook, employment practices checklist, model forms and policies, and a library of employment-related modules and web-based training. The general information and materials provided on the website do not represent legal advice and are not meant to be a substitute for seeking competent legal advice.

To gain access to the website, visit: [EPL.erieinsurance.com](http://EPL.erieinsurance.com)

- Click *Register*
- For Passcode/Organization Code, enter: **ERIE**
- Enter your name and contact information
- Answer a series of questions
- Create a username and password
- Agree to the terms of use
- The next screen will show your unique organization code. Please **retain this number**.
- Employees may register using your organization code by entering the code in the box labeled *Register in an Existing Organization* on the login screen.

### 1-877 Legal Helpline

The 1-877 helpline is a free helpline for EPL-related questions. It is managed by Jackson Lewis, a leading employment defense law firm. As an ERIE Policyholder, you may call this helpline to receive best practice guidance about general employment law issues and “best practices.”

To contact the helpline, call 1-877-LAW-4EPL. The helpline is available from 9 a.m. until 6 p.m. EST Monday through Friday. Calls are answered by a customer service representative. An attorney from Jackson Lewis will return the call within one business day.

Thank you again for becoming an EPL Policyholder. We hope you find these loss prevention resources useful in getting the help and protection that you and your business need.



# Legal Help Line

## General Advice From Employment Attorneys Is A Toll-Free Call Away

Wondering how new employment laws may affect you?  
Call 1-877-529-4375 (1-877-LAW-4EPL).

Hartford Steam Boiler (HSB) is ERIE's partner in offering EPL coverage, including access to a legal help line and a loss prevention Web site.

The Legal Help Line is a complimentary service exclusively for Policyholders with our Employment Practices Liability (EPL) insurance program. Through this service, an experienced attorney – well-versed in federal and state employment laws – can give you general counsel on a range of employment issues, including:

- Whether an employee may have a claim against you
- Legal implications of actions you are considering
- New employment laws and how they affect you
- Other employment law-related questions

### Prevention is the Best Medicine

Specialized employment defense lawyers can help you prevent employment-related claims and charges with general advice on questions such as:

- Hiring—essentials for every job applicant
- Firing—what to do/not do
- Discrimination—issues of age, race, gender or other forms of discrimination
- Sexual or other harassment—creating a harassment-free workplace
- Family and Medical Leave Act—who FMLA applies to
- Performance reviews—what to cover

### Call 1-877-529-4375 for Employment Legal Advice.

The Legal Help Line staff will take note of your inquiry and refer it to an experienced employment attorney who will respond within the next business day. All communications are strictly confidential and subject to attorney-client privileges. There is no cost or obligation.

### More Help is Online

Your EPL insurance program also provides you with complimentary access to *Erie.EmployerProtection.net*, an online employment-related Web site which features many resources to help you prevent employee charges and lawsuits.

### Your Protection Against Conflict and Claims

Today, you can't afford not to protect yourself from employee accusations and claims. The risks and stakes are too high. And, for you, the solution is simple.

Use the materials at *Erie.EmployerProtection.net*. Give employees clear rules and procedures. Give your managers tools and training to treat employees fairly and consistently. And give yourself the proof of compliance and good faith efforts you'll need if an employee makes a claim.

If you're like most small business owners, you're already worried about employee lawsuits. Go to *Erie.EmployerProtection.net*. Get help. And get a better night's sleep.

The Legal Help Line service is for general advice and guidelines on employment matters but advice will not be provided as to whether or not a personnel action should be taken regarding a particular person. This service is not meant to substitute for seeking legal advice from an attorney licensed in your state regarding specific employment actions and matters. The Web site resources provided to EPL Policyholders are not meant to convey a legal opinion. Seek advice regarding employment-related matters from attorneys licensed in state(s) where you conduct business.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## RETAILERS ERIEPLACEABLE ENHANCEMENTS ENDORSEMENT

This endorsement modifies insurance provided under the following:

ULTRAFLEX COMMERCIAL PROPERTY COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE FORM

### ULTRAFLEX COMMERCIAL PROPERTY COVERAGE PART

- A. The following is added to Paragraph A. Covered Property of **Section I - Business Personal Property and Personal Property of Others - Coverage 2**:

Business Personal Property and Personal Property of Others - Coverage 2 covers:

Your and your employees' tools while in or on the described buildings, in the open, in a vehicle, on the premises described in the "Declaration" or within 1,500 feet thereof. For tools and equipment off premises, coverage is provided under Paragraph H.10. **Tools Off Premises - Coverage.**

- B. The amount of insurance under **Check, Credit, Debit, or Charge Card Forgery or Alteration of Section VIII - Extensions of Coverage** is increased from \$5,000 to \$15,000 for any one "loss".
- C. The amount of insurance under **Counterfeit Money of Section VIII - Extensions of Coverage** is increased from \$1,000 to \$11,000 for any one "loss".
- D. The amount of insurance under **Employee Dishonesty of Section VIII - Extensions of Coverage** is increased from \$10,000 to \$25,000 for any one "loss".
- E. The amount of insurance under **Income Protection - Off Premises Utility Properties Failure of Section VIII - Extensions of Coverage** is increased from \$25,000 to \$50,000 for any one loss.
- F. The amount of insurance under **Non-Owned Detached Trailers of Section VIII - Extensions of Coverage** is increased from \$5,000 to \$10,000 for any one "loss".
- G. The amount of insurance under **Contingent Business Interruption** is increased from \$25,000 to \$50,000 for any one loss.
- H. We will pay up to \$250,000 as a Blanket Coverage Amount of Insurance which applies to the following coverages:
1. Accounts Receivable;

2. Business Personal Property and Personal Property of Others - Temporarily Off Premises;
3. Debris Removal;
4. Electronic Data Processing Equipment - Computer Virus;
5. Electronic Data - Expenses for Reproduction or Replacement;
6. Fine Arts;
7. Transportation; and
8. Valuable Papers and Records.

This blanket amount of insurance may be applied to any one coverage or combination of coverages shown above. However, the most we will pay for "loss" or damage resulting from any one occurrence at any premises described in the "Declarations" is \$250,000. The blanket amount of insurance applies separately to each premises described in the "Declarations".

The blanket amount of insurance is in addition to the amount of insurance provided for these coverages in **Section IV - Additional Coverages** and **Section VIII - Extensions of Coverage**.

- I. **Computer Fraud Coverage** is added to **Section VIII - B. Extensions of Coverage**:

1. We will pay up to \$10,000 for "loss" caused by:  
**Computer Fraud**  
We will pay for "loss" to "money", "securities", or Business Personal Property and Personal Property of Others resulting directly from "computer fraud".  
**Funds Transfer Fraud**  
We will pay for "loss" to "money" and "securities" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay, or deliver "money" or "securities" from your "transfer account".
2. "Money" and "securities" of Paragraph **B - Property Not Covered** of **Section I - Business Personal Property and Personal Property of Others - Coverage 2** does not apply to this coverage.

3. Under Computer Fraud Coverage, we do not cover "loss" caused:

- a. By "loss" resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value, or other cards or the information contained on such cards.
- b. By intentional misleading of a person to induce you or your employees to transfer "money", "securities", or business personal property and personal property of others by someone pretending to be you, your employee, vendor, or client.
- c. By any "loss" or that part of any "loss", where the proof of its existence or amount is dependent upon:
  - 1) An inventory computation; or
  - 2) A profit and loss computation;
- d. By seizure or destruction of property by order of governmental authority;
- e. By or that is an indirect result of any act or "occurrence" covered by "computer fraud" or funds transfer fraud including, but not limited to, "loss" caused by:
  - 1) Your inability to realize income that you would have realized had there been no "loss" of, or "loss" from damage to, covered property;
  - 2) Payment of damages of any type for which you are legally liable. We will pay compensatory damages arising from a "loss" covered by this policy; or
  - 3) Payment of costs, feeds, or other expenses you incur in establishing either the existence or the amount of "loss" under this endorsement; or
- f. By expenses related to any legal action.

4. **Deductible**

Computer Fraud Coverage - We will pay the amount of "loss" resulting directly from any one "occurrence" in excess of a \$500 deductible.

5. The following is added to **Section X – Commercial Property Conditions**, but only for this coverage:

**Limit of Protection For Specified Property**

We will pay up to \$1,000 for any one occurrence for "loss" to:

- a. Precious metals, precious or semi-precious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or

- b. Manuscripts, drawings or records of any kind or the cost reconstructing them or reproducing any information contained in them.

**Discovery Period For Loss**

We will pay for a covered "loss" discovered no later than one year from the end of the policy period.

6. The following are added to **Section XI – Definitions**, but only for Computer Fraud Coverage:

"Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.

"Computer fraud" means theft of property following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the premises described in the "Declarations" or "banking premises" to a place outside those premises or to a person (other than a messenger) outside those premises.

"Fraudulent instruction" means:

- a. An electronic, telegraphic, cable, teletype, telefacsimile, or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
- b. A written instruction issued by you, which was forged or altered by someone other than you without your knowledge or consent, or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
- c. An electronic, telegraphic, cable, teletype, telefacsimile, telephone, or written instruction initially received by you which purports to have been transmitted by an employee but which was in fact fraudulently transmitted by someone else without your or the employee's knowledge or consent.

"Occurrence" means an:

- a. Act or series of related acts involving one or more persons; or
- b. Act, event, or a series of related acts or events not involving any person.

"Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment, or delivery of "money" or "securities":

- a. By means of electronic, telegraphic, cable teletype, telefacsimile, or telephone instructions communicated directly through an electronic fund transfer system; or

By means or written instructions establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.¶

J. The following are added to **Section I - Coverages**:

**1. Brands And Labels - Coverage**

We will cover branded or labeled merchandise damaged by a peril insured against covered in the Commercial Property Coverage Part.

If we take your damaged merchandise at an agreed or appraised value, we may also pay expenses you incur to:

- a. Stamp salvage on the merchandise or its containers, if the stamp will not cause further damage to the merchandise; or
- b. Remove any brands or labels, if doing so will not cause further damage to the merchandise or its containers. You must relabel the merchandise or its containers to comply with the law.

**2. Contamination Of Perishable Goods From Refrigerants - Coverage**

We will pay up to \$25,000 for a "loss" to perishable goods caused by contamination resulting from the release of refrigerants, including ammonia.

**3. Contract Penalty Coverage**

We will pay up to \$25,000 for contractual penalties that you are required to pay your customers. These contractual penalties must be a result of any clause in your contracts for failure to timely deliver your products according to the contract terms. These contractual penalties must result from "loss" or damage to your covered property by a peril insured against.

**4. Extra Expense - Coverage**

The following is added to **Extra Expense of Income Protection of Section VIII - Extensions of Coverage**:

The \$25,000 amount of insurance for which we will pay under **Extensions of Coverage - Income Protection** is increased by \$10,000 for Extra Expense only.

The maximum amount of insurance for which we will pay for any one loss for extra expense is \$35,000.

**5. Merchandise – Deferred Payment**

Business Personal Property and Personal Property of Others - Coverage 2 includes protection for "loss" by a peril insured against to merchandise which you have sold under a conditional sale or trust agreement or any installment or deferred payment plan after delivery to buyers.

We will pay up to \$25,000 for "loss" or damage to merchandise which you have sold under a conditional sale or trust agreement or any installment or deferred payment plan after delivery to buyers.

When a total "loss" to covered property occurs, deferred payments are valued at the amount shown in your books as due from the buyer.

When partial "loss" to covered property occurs and the buyer refuses to continue payment, forcing you to repossess, deferred payments are valued as follows:

- a. If the realized value of the repossessed property is greater than or equal to the amount shown in your books, as due from the buyer, we will make no payment; but
- b. If the realized value of the repossessed property is less than the amount shown in your books as due from the buyer, we will pay the difference.

When a total or partial "loss" occurs and the buyer continues to pay you, we will make no loss payment.

**6. Outdoor Radio and Television Antennas and Satellite Dishes**

We will pay up to \$2,500 for "loss" or damage to outdoor radio and television antennas, satellite dishes, and its lead-in wiring, masts, or towers caused by windstorm or hail at the premises described in the "Declarations".

**7. Peak Season - Business Personal Property and Personal Property of Others – Coverage 2**

The amount of insurance for Business Personal Property and Personal Property of Others - Coverage 2 is increased by 25% of the limit for Business Personal Property and Personal Property of Others - Coverage 2 to cover "loss" to business personal property and personal property of others during a peak season.

**8. Sewer And Drain Back-Up - Coverage**

We will pay up to \$5,000 for any one "loss" to covered property caused by water or sewage that backs up through sewers and drains, or which enters into and overflows or is otherwise discharged from a sewer, drain, sump pump, sump pump well, or any other system designed to remove subsurface water which is drained from the foundation area.

Paragraph A.6.c. of **Section III - Exclusions** is deleted.

**Deductible** - We will pay the amount of "loss" to your covered property in any one occurrence which is in excess of \$500 for this coverage.

**9. Utility Services - Direct Damage - Coverage**

We will pay up to \$25,000 for "loss" or damage to covered property on the premises described in the



"Declarations" that you sustain due to an interruption in utility service to the premises described in the "Declarations".

The interruption in utility services must result directly from "loss" to the following property, not on the premises described in the "Declarations", from a peril insured against:

- a. Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave, or television services, to the premises described in the "Declarations", such as:
  - 1) Communication transmission lines (including fiber optic transmission lines);
  - 2) Coaxial cables; and
  - 3) Microwave radio relay except satellites.
- b. Power Supply Property, meaning the following types of property supplying electricity, steam, or gas to the premises described in the "Declarations":
  - 1) Utility generating plants;
  - 2) Switching stations;
  - 3) Substations;
  - 4) Transformers; and
  - 5) Transmission lines.
- c. Water Supply Property, meaning the following types of property supplying water to the premises described in the "Declarations":
  - 1) Pumping stations; and
  - 2) Water mains.
- d. Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the premises described in the "Declarations" other than a system designed primarily for draining storm water. The wastewater removal property includes sewer mains, pumping stations, and similar equipment for moving the effluent to a holding treatment or disposal facility, and includes such facilities.

Transmission lines include all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

We will not pay for "loss" or damage to "electronic data" including destruction or corruption of "electronic data".

## 10. Tools Off Premises - Coverage

### a. Insuring Agreement

We will pay up to \$5,000 for direct physical "loss" of or damage to covered property while off the premises described in the "Declarations" caused by any of the covered causes of "loss" listed under **Section II - Perils Insured Against**.

### b. Covered Property

We will cover:

- 1) Your portable powered and non-powered hand tools;
- 2) Your employees' portable powered and non-powered hand tools;
- 3) Portable powered and non-powered hand tools in your care, custody, or control.
- 4) Your "non-mobile equipment";
- 5) Your employees' "non-mobile equipment"; and
- 6) Employees' "non-mobile equipment" in your care, custody, or control.

We will also cover all portable powered, non-powered hand tools, and "non-mobile equipment" that you lease, rent, or borrow from anyone else up to \$2,500 for any one "loss".

### c. Property Not Covered

We do not cover:

- 1) "Aircraft" or watercraft;
- 2) "Automobiles", trucks, tractors, trailers, and similar conveyances designed for highway use or used for over the road transportation of people or cargo;
- 3) Contraband or property in the course of illegal transportation or trade;
- 4) Property while airborne;
- 5) Property that is waterborne, except by fire;
- 6) Property that you loan, lease, or rent to others;
- 7) Property while it is stored or operated underground in connection with any mining operations;
- 8) "Mobile equipment"; or
- 9) Plans, blueprints, designs, or specifications.

- d. **Section II – Perils Insured Against** of the Ultraflex Commercial Property Coverage Part is replaced by the following but only for this coverage:

### Covered Cause of Loss



This coverage insures against direct physical "loss", except "loss" as excluded or limited in **Section III - Exclusions** of this coverage.

- e. **Section III - Exclusions** is replaced by the following but only for this coverage:

We will not pay for "loss" or damage to covered property caused directly or indirectly by any of the following. Such "loss" or damage is excluded regardless of any cause or event that contributes concurrently or in any sequence to the "loss".

1) **Civil Authority**

Seizure or destruction of covered property by order of governmental authority.

However, we will cover "loss" caused by acts of destruction ordered by governmental authority to prevent the spread of a fire.

2) **Intentional Acts**

Intentional loss, meaning any "loss" arising from an act committed by or at the direction of the insured with the intent to cause a "loss".

3) **Neglect**

Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of "loss".

4) **Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination unless fire ensues, and then only for ensuing "loss".

5) **War**

War, whether declared or undeclared, discharge of a nuclear weapon (even if accidental), hostile or warlike action in time of peace or war, insurrection, rebellion, revolution, civil war, usurped power, including action taken by governmental authority in defending against such an occurrence.

6) **Weather Conditions**

Weather conditions, but only if weather conditions contribute in any way with a peril excluded in this section to produce the "loss".

7) **Seepage or Leakage**

Continuous or repeated seepage or leakage of water or the presence or condensation of humidity, moisture, or vapor, that occurs over a period of 14 days or more.

We do not cover "loss" or damage resulting from:

1) **Criminal, Fraudulent, or Dishonest Acts**

Criminal, fraudulent, or dishonest acts committed by you or any of your members of a limited liability company, or any of your employees, directors, officers, trustees, or authorized representatives:

- a) Acting alone or in collusion with other persons; or
- b) While performing services for you or otherwise.

We will cover acts of destruction by your employees but only for ensuing "loss"; but theft by your employees (including leased employees) is not covered.

2) **Deterioration or Contamination**

- a) Deterioration or contamination;
- b) Wear and tear, rust or corrosion, or rotting;
- c) Change in color, texture, or finish;
- d) Inherent vice;
- e) Any quality, fault, or weakness in the covered property that causes it to damage or destroy itself;
- f) Marring or scratching;
- g) Settling, cracking, shrinking, bulging, or expansion of pavements, foundations, walls, sidewalks, driveways, patios, floors, roofs, or ceilings; or
- h) Termites, vermin, insects, rodents, birds, skunks, raccoons, spiders, or reptiles.

3) **Electricity**

Electricity, other than lightning, unless fire or explosion ensues, and then only for ensuing "loss".

4) **Humidity/Temperature**

Humidity, freezing or overheating, dampness, dryness, or changes in or extremes of temperature.

5) **Loss of Use**

Loss of use, business interruption, delay, or loss of market.

6) **Mechanical Breakdown**

We do not pay for "loss" caused by mechanical breakdown including centrifugal force.

However, this exclusion does not apply to "loss" resulting from testing.

7) **Missing Property**

Missing property where the only proof of "loss" is unexplained or mysterious disappearance of covered property, shortage of property discovered on taking inventory, or any other instance where there is no physical evidence to show what happened to the covered property. This exclusion does apply to covered property in the custody of a carrier for hire.

8) **Pollutants**

Discharge, dispersal, seepage, migration, release, or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release, or escape is itself caused by a peril insured against. But if "loss" or damage by a peril insured against results from the discharge, dispersal, seepage, migration, release, or escape of "pollutants", we will pay for the resulting damage caused by the peril insured against.

- f. **Section V - Deductibles** is replaced by the following but only for this coverage:

We will pay the amount of "loss" to covered property in any one occurrence which is in excess of \$500 if the "loss" is only covered by this endorsement.

When the occurrence involves "loss" to covered property under the Tools Off Premises - Coverage of the Ultraflex Retailers Eriplaceable Enhancements Endorsement and under another Tool Coverage Part, the highest deductible will be applied to the "loss".

- g. The following is added to Paragraph **B. Where in Section IX - When and Where This Policy Applies**:

Coverage applies only while the covered property is in the United States, its territories or possessions, Puerto Rico, or Canada. This includes property that is in transit within the continental United States.

- h. The following is added to **Section X - Commercial Property Conditions**:

**VALUATION**

The value of covered property will be based on the actual cash value at the time of "loss" (with a deduction for depreciation).

- i. The following is added to **Section XI - Definitions**:

"Non-mobile equipment" means machinery and equipment of a portable nature that you use in your repairing and servicing operations. "Non-mobile equipment" also means powered and non-powered equipment such as portable welders, portable heaters, ladders, scaffolding, mortar mixers, pumps, table/radial saws, and generators.

"Non-mobile equipment" does not include powered and non-powered hand tools.

- K. **Net Selling Price** is added to **Section X - Commercial Property Conditions**:

Stock you have sold and is being transported will be valued at the selling price less any discounts and expenses you otherwise would have had. The "loss" or damage to stock much be caused by a peril insured against listed under **Transportation of Section VIII - B. Extensions of Coverage**.

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A. **Section II - Who Is An Insured** is amended to include the following:

Any person or organization but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business.

However:

1. The insurance afforded to such vendor only applies to the extent permitted by law; and
2. If coverage provided to the vendor is required by a contract or agreement, the insurance afforded to such vendor will not be broader than that which you are required by the contract or agreement to provide such vendor.

The insurance afforded the vendor does not apply to:

1. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement.
2. Any express warranty unauthorized by you;
3. Any physical or chemical change in the product made intentionally by the vendor;
4. Repacking, unless when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manu-

facturer, and then repackaged in the original container;

5. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
6. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
7. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
8. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
  - a. The exceptions contained in paragraphs 4. or 6. above; or
  - b. Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

With respect to the insurance afforded to these vendors, the following is added to **Section III – Limits of Insurance**:

If coverage provided to the vendor is required by a contract or agreement, the most we will pay on behalf of the vendor is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This coverage shall not increase the applicable Limits of Insurance shown in the Declarations.

expenses because of "bodily injury" sustained by any one person.

**B. Paragraph 7. under Section III - Limits of Insurance of the Commercial General Liability Coverage Form is replaced by the following:**

7. Subject to 5. above, the Medical Expense Limit is increased from \$5,000 to \$10,000. This limit is the most we will pay under Coverage C for all medical

POLICY NUMBER:

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

<b>Name Of Additional Insured Person(s) Or Organization(s):</b>  <div style="height: 40px; border: 1px solid black;"></div>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations

## LIQUOR LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

### SECTION I – LIQUOR LIABILITY COVERAGE

#### 1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "injury" to which this insurance applies if liability for such "injury" is imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "injury" to which this insurance does not apply. We may, at our discretion, investigate any "injury" and settle any claim or "suit" that may result. But:

- 1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- 2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

b. This insurance applies to "injury" only if:

- 1) The "injury" occurs during the policy period in the "coverage territory"; and
- 2) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "injury" or claim, knew that the "injury" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "injury" occurred, then any continuation, change or resumption of such "injury" during or after the policy period will be deemed to have been known prior to the policy period.

c. "Injury" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "injury" or claim, includes any continuation, change or resumption of that "injury" after the end of the policy period.

d. "Injury" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "injury" or claim:

- 1) Reports all, or any part, of the "injury" to us or any other insurer;
- 2) Receives a written or verbal demand or claim for damages because of the "injury"; or
- 3) Becomes aware by any other means that "injury" has occurred or has begun to occur.

#### 2. Exclusions

This insurance does not apply to:

##### a. Expected Or Intended Injury

"Injury" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

##### b. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

##### c. Employer's Liability

"Bodily injury" to:

- 1) An "employee" of the insured arising out of and in the course of:
  - a) Employment by the insured; or
  - b) Performing duties related to the conduct of the insured's business; or
- 2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph 1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the "injury".



**d. Liquor License Not In Effect**

"Injury" arising out of any alcoholic beverage sold, served or furnished while any required license is not in effect.

**e. Your Product**

"Injury" arising out of "your product". This exclusion does not apply to "injury" for which the insured or the insured's indemnitees may be held liable by reason of:

- 1) Causing or contributing to the intoxication of any person;
- 2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- 3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

**f. Other Insurance**

Any "injury" with respect to which other insurance is afforded, or would be afforded but for the exhaustion of the limits of insurance.

This exclusion does not apply if the other insurance responds to liability for "injury" imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage.

**g. War**

"Injury", however caused, arising, directly or indirectly, out of:

- 1) War, including undeclared or civil war;
- 2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- 3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**SUPPLEMENTARY PAYMENTS**

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

1. All expenses we incur.
2. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
3. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
4. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
5. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
6. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
7. Expenses incurred by the insured for first aid administered to others at the time of an event to which this insurance applies.

These payments will not reduce the limits of insurance.

**SECTION II – WHO IS AN INSURED****1. If you are designated in the Declarations as:**

- a. An individual, you and your spouse are insureds.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

**2. Each of the following is also an insured:**

- a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" is an insured for:
  - 1) "Injury":

- a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
  - b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph a) above; or
  - c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph a) or b) above.
- 2) "Property damage" to property:
- a) Owned or occupied by; or
  - b) Rented or loaned;
- to that "employee", any of your other "employees", by any of your partners or members (if you are a partnership or joint venture), or by any of your members (if you are a limited liability company).
- b. Any person or organization having proper temporary custody of your property if you die, but only:
    - 1) With respect to liability arising out of the maintenance or use of that property; and
    - 2) Until your legal representative has been appointed.
  - c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
  - b. Coverage does not apply to "injury" that occurred before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;

- b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
- 2. The Aggregate Limit is the most we will pay for all "injury" as the result of the selling, serving or furnishing of alcoholic beverages.
  - 3. Subject to the Aggregate Limit, the Each Common Cause Limit is the most we will pay for all "injury" sustained by one or more persons or organizations as the result of the selling, serving or furnishing of any alcoholic beverage to any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

### SECTION IV – LIQUOR LIABILITY CONDITIONS

#### 1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

#### 2. Duties In The Event Of Injury, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "injury" which may result in a claim. To the extent possible, notice should include:

- 1) How, when and where the "injury" took place;
- 2) The names and addresses of any injured persons and witnesses; and
- 3) The nature and location of any "injury".

- b. If a claim is made or "suit" is brought against any insured, you must:

- 1) Immediately record the specifics of the claim or "suit" and the date received; and
- 2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- 1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- 2) Authorize us to obtain records and other information;
- 3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of "injury" to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

### 3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

#### a. Primary Insurance

This insurance is primary. Our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in b. below.

#### b. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

### 5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

### 6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

### 7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

### 8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

### 9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

## SECTION V – DEFINITIONS

- 1. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- 2. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

- b. International waters or airspace, but only if the "injury" occurs in the course of travel or transportation between any places included in Paragraph a. above; or
  - c. All other parts of the world if the "injury" arises out of:
    - 1) Goods or products made or sold by you in the territory described in Paragraph a. above; or
    - 2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business;provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.
3. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
  4. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
  5. "Injury" means damages because of "bodily injury" and "property damage", including damages for care, loss of services or loss of support.
  6. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
  7. "Property damage" means:
    - a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
    - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the occurrence that caused it.
  8. "Suit" means a civil proceeding in which damages because of "injury" to which this insurance applies are alleged. "Suit" includes:
    - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
    - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
  9. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
  10. "Your product":
    - a. Means:
      - 1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
        - a) You;
        - b) Others trading under your name; or
        - c) A person or organization whose business or assets you have acquired; and
      - 2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
    - b. Includes:
      - 1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
      - 2) The providing of or failure to provide warnings or instructions.
    - c. Does not include vending machines or other property rented to or located for the use of others but not sold.



ERIE INSURANCE GROUP

POLICY NUMBER:

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**ILLINOIS CHANGES - LIQUOR LIABILITY**

This endorsement modifies insurance provided under the following:

LIQUOR LIABILITY COVERAGE FORM

## SCHEDULE

	Limits Of Insurance
Each Person Bodily Injury Limit	\$
Each Person Property Damage Limit	\$
Loss Of Means Of Support Or Loss of Society Limit	\$

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to Illinois locations:

**A.** The Each Common Cause Limit shown in the Declaration is replaced by the limits shown in the Schedule above. The Aggregate Limit shown in the Declaration continues to apply.

**B.** Paragraph 3. of Section III - Limits Of Insurance is replaced by the following:

3. Subject to the Aggregate Limit, the Loss Of Means Of Support Or Loss Of Society Limit is the most we will pay for all loss of means of support or society claimed by one or more persons because of "bodily injury" sustained by any one provider of such support or society as the result of the selling, serving or furnishing of any alcoholic beverage to any one person.

**C.** The following paragraphs are added to Section III - Limits Of Insurance:

4. Subject to the Aggregate Limit, the Each Person Bodily Injury Limit is the most we will pay for all "bodily injury" sustained by one person as the result of selling, serving or furnishing of any alcoholic beverage to any one person.

5. Subject to the Aggregate Limit, the Each Person Property Damage Limit is the most we will pay for all "property damage" sustained by one person or organization as the result of the selling, serving or furnishing of any alcoholic beverage to any one person.

**D. Conformity To Statute**

If the limitation provided under Section 235.5/6-21 as published in the Illinois Administrative Code is raised during the policy period, the limits of insurance provided in the Schedule of this endorsement are hereby amended to conform to that statute.





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COMMERCIAL GENERAL LIABILITY  
ULTRAFLEX PACKAGE  
UL-CL (Ed. 4/08) UF-6089

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**NON-OWNED AUTOS AND/OR HIRED AUTO LIABILITY INSURANCE  
COVERAGE**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A.** With respect to Non-owned Auto Liability Insurance Coverage, the following is added to Paragraph 1., **Insuring Agreement of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

**1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" resulting from an accident covered by this endorsement.

The accident must arise out of the use of any "non-owned auto" in your business by any person other than you.

This coverage applies only if a premium and limits of insurance are shown in the Declarations for Non-owned Auto Liability Insurance Coverage.

b. This insurance applies to "bodily injury" and "property damage" only if:

1. The "bodily injury" or "property damage" is caused by an accident that takes place in the "covered territory"; and
2. The "bodily injury" or "property damage" is caused by an accident during the policy period.

**B.** With respect to Hired Auto Liability Insurance Coverage, the following is added to Paragraph 1., **Insuring Agreement of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

**1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" resulting from an accident covered by this endorsement.

The accident must arise out of the maintenance or use of "hired autos" by you or your "employees" in the course of your business.

This coverage applies only if limits of insurance are shown in the Declarations for Hired Auto Liability Insurance Coverage.

b. This insurance applies to "bodily injury" and "property damage" only if:

1. The "bodily injury" or "property damage" is caused by an accident that takes place in the "covered territory"; and
2. The "bodily injury" or "property damage" is caused by an accident during the policy period.

**C.** With respect to coverage provided by this endorsement, **Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability** are deleted and replaced by the following:

**1. Contractual Liability**

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- a. That the insured would have in the absence of the contract or agreement; or
- b. Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - 1) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract", and
  - 2) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

**2. Damage To Your Product**

"Bodily injury" or "property damage" that results from "your product" arising out of it or any part of it.

**3. Damage To Property**

"Property damage" to:

- a. Property owned or transported by you.
- b. Personal property in the care, custody or control of the insured.

**4. Damage To Your Work**

"Bodily injury" or "property damage" that results from "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

**5. Employers' Liability**

"Bodily injury" to:

- a. An "employee" of the insured arising out of and in the course of:
  - 1) Employment by the insured; or
  - 2) Performing duties related to the conduct of the insured's business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph a) above.

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**6. Expected Or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

**7. Handling of Property**

"Bodily injury" or "property damage" that results from the handling of property:

- a. Before it is moved from the place where it is accepted by the insured for loading into or onto a "non-owned auto" or "hired auto"; or
- b. After it is unloaded from a "non-owned auto" or "hired auto" to the place it is finally delivered by the insured.

**8. Fellow Employee**

"Bodily injury" to any fellow "employee" of the insured arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business.

**9. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- a. The ownership, maintenance, use or entrustment to others of any "mobile equipment" owned or operated by or rented or loaned to any insured.
- b. The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- c. The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

**10. Pollution**

- a. "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants".

- 1) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

- a) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;

- b) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

- c) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

- 2) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

- 3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or

- 4) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such

operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- a) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor.
  - b) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - c) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- 5) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- b. Any loss, cost or expense arising out of any:
- 1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants", or
  - 2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such

claim or "suit" by or on behalf of a governmental authority.

#### 11. Racing

Any "auto" while being used in any prearranged or organized racing, speed or demolition contest, stunting activity or similar activities, or in practice for any such activities.

#### 12. War

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

#### 13. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

**D.** With respect to coverage provided by this endorsement, **Section II - Who Is An Insured** is replaced by the following:

1. You;
2. Any other person using a "hired auto" with your permission;
3. With respect to a "non-owned auto", any partner, member of a limited liability company, or executive officer, but only while such "auto" is being used in your business;
4. Any other person or organization, but only with respect to liability because of acts or omissions of the insured under 1., 2., or 3. above.

The following are not included under **Section II - Who Is An Insured**:

1. Any person, member of a limited liability company, or executive officer with respect to an "auto" owned by such partner, member of a limited liability company, or executive officer or a member of their household;
2. Any person engaged in the business of their employer, with respect to "bodily injury" to any fellow co-"employee" of such person injured in the cause of their employment.
3. Any person while employed in or otherwise engaged in duties in connection with an "auto business" other than an "auto business" you operate;
4. The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or employer of such owner or lessee;
5. Any person or organization with respect to the conduct of any current or past partnership, joint venture, or limited liability company shown as a named Insured in the Declarations.

**E.** With respect to coverage provided by this endorsement, **Section III - Limits of Insurance** is deleted and replaced by the following:

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

1. Insureds;
2. Claims made or "suits" brought; or
3. Person or organizations making claims or bringing "suits".

The Per Person Limit for Bodily Injury Liability is the most we will pay for damages arising out of and derived from "bodily injury" to one person in any one accident.

The Per Accident Limit for Bodily Injury Liability is the most we will pay for damages arising out of and derived from "bodily injury" to all persons resulting from one accident, subject to the Per Person Limit.

The Per Accident Limit for Property Damage Liability is the most we will pay for all "property damage" caused by any one accident.

**F.** With respect to coverage provided by this endorsement, the following is added to **Section V - Definitions:**

"Auto business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".

"Covered territory" means the United States of America (including its territories and possessions), Puerto Rico and Canada.

"Hired auto" means any auto you lease, hire, or borrow.

This does not include any "auto" you lease, hire, or borrow from any of your "employees", any members of a limited liability company, any partner, "executive officer" or members of their households.

"Non-owned auto" means any "auto" you do not own, lease, hire, or borrow which is used in connection with your business. This includes any "auto" owned by or registered in the name of:

1. Your employees including members of their households;
2. Partners including members of their households if you are a partnership; or
3. Members of a limited liability company including members of their households;

but only while such "auto" is being used in connection with your business.



ERIE INSURANCE GROUP

BUSINESS CATASTROPHE LIABILITY  
COMMERCIAL GENERAL LIABILITY  
FIVESTAR CONTRACTORS  
ULTRAFLEX PACKAGE  
ULTRAPACK BUSINESS  
ULTRASURE FOR PROPERTY OWNERS  
GU-32 (Ed. 3/01) UF-6189

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION - LEAD LIABILITY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:

### **Lead Liability**

This insurance does not apply to:

1. Actual or alleged "bodily injury" arising out of the ingestion, inhalation, or absorption of lead or lead compounds in any form.
2. Actual or alleged "bodily injury" or "property damage" arising out of any form of lead or lead compounds.
3. Any legal obligation of the insured for indemnification or contribution due to damages arising out of "bodily injury" or "property damage" caused by lead, resulting from paint containing lead or contributed to by any other substance or material containing lead;
4. "Bodily injury" or "property damage" arising out of the actual or alleged:
  - a. exposure to or existence of lead, paint containing lead, or any other material or substance containing lead, or

- b. Manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of lead, paint containing lead, or any other material or substance containing lead.

whether or not the lead is now or was at any time airborne as a particle, contained as a product, ingested, inhaled, transmitted in any fashion, or found in any form whatsoever.

5. Any loss, cost or expense arising out of any:
  - a. Request, demand or order that the insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, lead or lead compounds.
  - b. Claim or "suit" by or on behalf of any governmental authority for damages resulting from testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, lead or lead compounds in any form.





INTERLINE  
IL 01 47 (Ed. 9/11) UF-A518

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ILLINOIS CHANGES – CIVIL UNION**

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
FARM COVERAGE PART  
FARM UMBRELLA LIABILITY POLICY  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCT WITHDRAWAL COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

- A. The term "spouse" is replaced by the following:  
Spouse or party to a civil union recognized under Illinois law.
- B. Under the Commercial Auto Coverage Part, the term "family member" is replaced by the following:  
"Family member" means a person related to the:
1. Individual Named Insured by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of such Named Insured's household, including a ward or foster child; or
  2. Individual named in the Schedule by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of the individual's household, including a ward or foster child, if the Drive Other Car Coverage – Broadened Coverage For Named Individual Endorsement is attached.

- C. With respect to coverage for the ownership, maintenance, or use of "covered autos" provided under the Commercial Liability Umbrella Coverage Part, the term "family member" is replaced by the following:  
"Family member" means a person related to you by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of your household, including a ward or foster child.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **IDENTITY RECOVERY COVERAGE - OWNERS AND EMPLOYEES**

Various provisions in this coverage form restrict coverage. Read the entire coverage form carefully to determine rights, duties, and what is and is not covered.

Throughout this coverage form the words "you" and "your" refer to the "Named Insured" shown in the Declarations. The words "we", "us", and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

### **SECTION I - INSURING AGREEMENT**

"We" will provide Identity Recovery Restoration Case Management Services and Expense Reimbursement Coverage indicated below as a result of an "identity theft" involving the personal identity of an "identity recovery insured" that is:

1. First discovered by "you" during the policy period shown in the "Declarations" for which this Identity Recovery Coverage is applicable; and
2. Reported to "us" within 60 days from the date it is first discovered by the "identity recovery insured".

#### **What is Covered**

1. Identity Restoration Case Management Services

This covers the services of an identity restoration professional. This professional will help the "identity recovery insured" to recover control over their personal identity. This includes, with the permission and cooperation of the "identity recovery insured" contacting authorities, credit bureaus, creditors, and businesses for the process of correcting credit, other records, and accounts, within the constraints of what is possible and reasonable, to restore control over their personal identity.

2. Expense Reimbursement Coverage

Provides reimbursement of necessary and reasonable "identity theft expenses" incurred as a result of an "identity theft".

### **SECTION II – EXCLUSIONS**

"We" do not cover any costs for an "identity theft" arising from the following:

1. Theft of a professional or business identity.
2. Any criminal; fraudulent; dishonest act, error, or omission; or any intentional or knowing violation of the law by an "identity recovery insured" or any person aiding or abetting an "identity recovery insured", or by any authorized representative of an "identity recovery insured",

whether acting alone or in collusion with others. However, this exclusion does not apply to the interests of an "identity recovery insured" who has no knowledge of or involvement in such fraud, dishonesty, or criminal act.

3. An "identity theft" that is not reported to the police.

### **SECTION III – LIMITS OF INSURANCE**

The Identity Restoration Case Management Services are available as needed for any "identity theft" for up to 12 consecutive months from the inception of the service. Expenses "we" incur to provide Identity Restoration Case Management Services do not reduce the Limit of Insurance available for Expense Reimbursement Coverage.

"We" will pay up to \$25,000 for all expenses covered under Expense Reimbursement Coverage because of all "identity thefts" occurring during the policy period to any one "identity recovery insured".

An "identity theft" may be first discovered by the "identity recovery insured" in one policy period but cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such "identity theft" will be subject to the \$25,000 limit of liability for Expense Reimbursement Coverage.

Legal costs as provided under Paragraph 4. of the definition of "identity theft expenses" are part of, and not in addition to, the Expense Reimbursement Coverage limit.

Lost wages as provided under Paragraph 5. and child and elder care expenses as provided under Paragraph 6. of the definition of "identity theft expenses" are jointly subject to a sublimit of \$5,000. This sublimit is part of, and not in addition to, the Expense Reimbursement Coverage limit. Coverage is limited to lost wages and expenses incurred within 12 months after the "identity theft" is first discovered by the "identity recovery insured".

Mental health counseling as provided under Paragraph 7. of the definition of "identity theft expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expense Reimbursement Coverage limit. Coverage is limited to counseling that takes place within 12 months after the "identity theft" is first discovered by the "identity recovery insured".

Miscellaneous unnamed costs as provided under Paragraph 8. of the definition of "identity theft expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expense Reimbursement Coverage limit. Coverage is limited to costs incurred within 12 months after the

"identity theft" is first discovered by the "identity recovery insured".

#### **SECTION IV – CONDITIONS**

##### **1. IDENTITY RECOVERY ASSISTANCE**

The Identity Recovery Help Line is available to provide the "identity recovery insured" with the following:

- a. Information and advice on how to respond to a possible "identity theft"; and
- b. Instructions for how to submit a service request for Identity Recovery Case Management Services and/or claim form for Expense Reimbursement Coverage.

In some cases, "we" provide Identity Recovery Case Management Services at "our" expense to an "identity recovery insured" prior to determining that a covered "identity theft" has occurred. "Our" provision of such services is not an admission of liability under this Identity Recovery Coverage. "We" reserve the right to deny further coverage or service if, after investigation, "we" determine that a covered "identity theft" has not occurred.

Regarding Expense Reimbursement Coverage, the "identity recovery insured" must send "us" receipts, bills, or other records that support "your" claim for "identity theft expenses". Such records must be sent to "us" within 60 days after "our" request.

##### **2. SERVICES**

The following conditions apply regarding any services provided to the "identity recovery insured" by "us", "our" designees, or any service firm paid for in whole or in part under this Identity Recovery Coverage:

- a. The effectiveness of such services depends on "your" cooperation and assistance;
- b. All services may not be available or applicable to all "identity recovery insureds". For example, "identity recovery insureds" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions;
- c. "We" cannot guarantee, after "our" vendor has provided the applicable services, that the problems associated with the covered "identity theft" will be eliminated or prevent future "identity thefts"; and
- d. "You" will have a direct relationship with the professional service firms paid for in whole or in part under this coverage. Those firms work for "you".

##### **3. YOUR DUTIES AFTER AN IDENTITY THEFT INCIDENT**

In case of an "identity theft", "you" must perform the following duties:

- a. Give "us" prompt notice of the "identity theft". "You" must report the "identity theft" within 60 days of "your" discovery.
- b. Produce for examination, with permission to copy, all books of accounts, bills, invoices, receipts, and other vouchers as "we" may reasonable require.
- c. Cooperate with "us" in "our" investigation of the "identity theft".
- d. Separately submit to examinations under oath and sign a transcript of the same.
- e. Agree to help "us" enforce any right of recovery against any party liable for the "identity theft" under this policy. This will not apply if "you" have waived recovery rights in writing prior to the "identity theft".

#### **SECTION V DEFINITIONS**

- "Employee" means an individual whose labor or service is engaged by and directed by "you" for remuneration, whether such individual is in a supervisory, co-worker, or subordinated position or otherwise, including any part-time "employees". An individual who is leased to "you" shall also be an "employee", but only if "you" provide indemnification to such leased individual in the same manner as is provided to "your" "employees".
- "Identity theft" means the fraudulent use of "personally identifying information". This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts, or commit crimes.  
  
"Identity theft" does not include the fraudulent use of a business name, d/b/a, or any other method of identifying a business activity.
- "Identity theft expenses" means any of the following reasonable and necessary expenses that are incurred as a direct result of an "identity theft":
  1. Costs for re-filing applications for loans, grants, or other credit instruments.
  2. Costs for notarizing affidavits or other similar documents, long distance telephone calls, and postage.
  3. Costs for credit reports from established credit bureaus.
  4. Fees and expenses for an attorney approved by "us" for the following:
    - a. The defense of any civil suit brought against the "identity recovery insured";
    - b. The removal of any civil judgment wrongfully entered against an "identity recovery insured";
    - c. Legal assistance for an "identity recovery insured" at an audit or hearing by a government agency;

- d. Legal assistance in challenging the accuracy of the consumer credit of an "identity recovery insured"; or
  - e. The defense of any criminal charges brought against an "identity recovery insured" arising from the actions of a third party using the personal identity of an "identity recovery insured".
5. Actual lost wages of an "identity recovery insured" for time reasonable and necessary taken away from work and the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays, and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.
  6. Actual costs for supervision of children; elderly or infirm relatives; or dependents of the "identity recovery insured" during the time reasonable and necessary taken away from such supervision. Such care must be provided by a professional health care provider who is not a relative of the "identity recovery insured".
  7. Actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured".
  8. Any other reasonable and necessary costs incurred by an "identity recovery insured" as a direct result of an "identity theft". Such costs include:
    - a. Costs by the "identity recovery insured" to recover control over their personal identity; and
    - b. Deductibles or service fees from financial institutions.

Such costs do not include:

    - a. Costs to avoid, prevent, or detect "identity theft" or other loss;
    - b. Monies lost or stolen; or
    - c. Costs that are restricted or excluded elsewhere in this Identity Recovery Coverage.
- "Identity recovery insured" means the following:
    1. When the entity insured is a sole proprietorship, the "identity recovery insured" is the individual person who is the sole proprietor of the insured entity.
    2. When the entity insured is a partnership, the "identity recovery insureds" are the current partners of the insured entity.
    3. When the entity insured is a corporation or other organization, the "identity recovery insureds" are all individuals having an ownership position of 20% or more of the insured entity. However, if and only if, there is no one who has such an ownership position, then the "identity recovery insured" is:
      - a. The chief executive of the insured entity; or
      - b. The senior ministerial employee of a religious institution.
    4. Any "employee" of the entity insured under this Identity Recovery Coverage – Owners and Employees.

An "identity recovery insured" must always be an individual person. The entity under this policy is not an "identity recovery insured".
  - "Personally identifying information" means information that could be used to commit fraud or other illegal activity involving the credit or identity of an "affected individual". This includes but is not limited to social security numbers, drivers license numbers, credit card numbers, bank account information, or any other account numbers correlated with names and addresses.
- "Personally identifying information" does not mean or include information that is otherwise available to the public, such as names and addresses with no correlated social security numbers or account numbers.

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## UNINSURED/UNDERINSURED MOTORISTS BODILY INJURY COVERAGE ENDORSEMENT

(Limited to Non-Owned Auto and Hired Auto Liability)

### ILLINOIS

This endorsement contains provisions applicable to Uninsured/Underinsured Motorists Bodily Injury Coverage.

Various provisions in this coverage form restrict coverage. Read the entire coverage form carefully to determine rights, duties and what is and is not covered.

Throughout this coverage form the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this endorsement. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V - Definitions.

#### SECTION I - UNINSURED/UNDERINSURED MOTORISTS BODILY INJURY COVERAGE

##### 1. Insuring Agreement

We will pay damages for "bodily injury" that an "insured" or an "insured's" legal representative is legally entitled to recover from the owner or operator of an "uninsured motor vehicle". If an "insured" has purchased Uninsured/Underinsured Motorists Bodily Injury Coverage under this policy with limits in excess of the financial responsibility limits required in Illinois, we will pay damages for "bodily injury" that an "insured" or an "insured's" legal representative are legally entitled to recover from the owner or operator of an "underinsured motor vehicle". Damages must result from a motor vehicle accident arising out of the ownership or use of the "uninsured motor vehicle" or "underinsured motor vehicle" as a motor vehicle and involve "bodily injury" to an "insured". We will not be bound by a judgment against the owner or operator of the "uninsured motor vehicle" or the "underinsured motor vehicle" on issues of liability or amount of damages unless it is obtained with our written consent.

##### 2. Exclusions

This insurance does not apply to:

- a. Damages sustained by an "insured" if the "insured" or a legal representative settled with

- anyone who may be liable for the damages, without our written consent.
- b. The benefit of any workers' compensation or disability benefits carrier or anyone qualifying as a self-insurer under a workers' compensation, disability benefits or similar law.
- c. Injury to an "insured" while "occupying" or struck by a "motor vehicle", "miscellaneous vehicle" or "trailer" owned by a "named insured" or a "resident relative".
- d. Punitive or exemplary damages.
- e. "Bodily injury" sustained by an "insured" while engaged in the theft of a "motor vehicle" or using a "motor vehicle" in connection with carjacking, kidnapping, abduction or attempting to flee police or evade arrest.
- f. "Bodily injury" sustained by an "insured" while in the course and scope of employment. This exclusion applies only with regard to the negligence of the employer or a co-employee. It does not apply with regard to the negligence of a third party.

#### SECTION II - WHO IS AN INSURED

##### INDIVIDUAL AS NAMED INSURED

When the "named insured" is an "individual", then the following are "insureds":

1. An "individual" and any "resident relative".
2. Anyone else while "occupying" a "hired auto" or "non-owned auto".
3. Anyone who is entitled to recover damages because of "bodily injury" sustained by another "insured".

##### ORGANIZATION AS NAMED INSURED

When the "named insured" is an "organization", then the following are "insureds":

1. Active partners, active members, or active executive officers of the "organization" and their spouses residing in the same household while driving any "auto",  
 but only if the "auto" is not owned by, furnished to, or available for the regular use of the active



partner, active member, or active executive officer or the spouse of that active partner, active member, or active executive officer residing in the same household.

2. Anyone else "occupying" a "hired auto" or "non-owned auto".
3. Anyone who is entitled to recover damages because of "bodily injury" sustained by another "insured".

### **SECTION III - LIMITS OF INSURANCE Limitations of**

#### **Payment**

The PER PERSON limit for Uninsured/Underinsured Motorists Bodily Injury Coverage is the most we will pay for damages arising out of "bodily injury" or death to one person in any one accident. The PER ACCIDENT limit for Uninsured/Underinsured Motorists Bodily Injury Coverage is the most we will pay for damages arising out of "bodily injury" or death to all persons resulting from any one accident, subject to the PER PERSON limit.

We will pay no more than the Uninsured/Underinsured Motorists Coverage limit shown on the Declarations, regardless of the number of:

- a. Persons we protect;
- b. "Autos" we insure;
- c. Premiums paid;
- d. Claims made; or
- e. "Autos" involved in the accident.

However, if you have purchased Uninsured/Underinsured Motorists Coverage at the minimum limits required for financial responsibility in Illinois, your policy does not provide Underinsured Motorists Coverage.

When a "trailer" is towed by a "motor vehicle" or "miscellaneous vehicle", the Uninsured/Underinsured Motorists Coverage applicable to the "motor vehicle" or "miscellaneous vehicle" extends to the "trailer", but without increasing the limit of protection.

No one will be entitled to receive duplicate payments for the same elements of loss. If an individual's damages derive from, arise out of, or otherwise result from "bodily injury" to another person injured in the accident or the death of another person killed in the accident, we will pay only for such damages within the PER PERSON limit available to the person injured or killed in the accident.

### **Reductions**

The Limits of Insurance available under this Uninsured/Underinsured Motorists Coverage will be reduced by the:

1. Amounts paid by or for those liable for "bodily injury" to an "insured".
2. Amounts paid or payable under any workers' compensation, disability benefits or similar law. However, this will not apply to disability benefits received under the federal Social Security act.
3. Sum of limits of any liability insurance policies, bonds, and securities applicable to the "bodily injury" or death of an "insured". This includes all sums paid under the Limits of Insurance of this policy.
4. Amount of any payments to the "insured" and/or injured party made pursuant to any auto medical payments provision in this or any other policy applicable to the loss.

Payment under this coverage to or for an "insured" will reduce the amount of damages they may be entitled to recover from those protected under the Liability Protection of this policy.

### **SECTION IV - CONDITIONS**

#### **1. Other Insurance**

If an "insured" has other similar insurance that applies to the accident, we will pay our share of the loss, subject to the other terms and conditions of this policy. Our share will be the proportion of the Limit of Insurance of this insurance bears to the total limit of liability of all applicable insurance. Recovery will not exceed the highest limit available under any one policy applicable to the loss.

For damages to an "insured" while "occupying" a "motor vehicle" that the "named insured" does not own, any insurance we provide will be excess and we will only pay the amount of the loss up to the applicable limit shown on the Declarations for one auto, less the amount paid or payable by other insurance.

When the accident involves "underinsured motor vehicles", we will not pay until all other forms of insurance under all bodily injury liability bonds and insurance policies and self-insurance plans applicable at the time of the accident have been exhausted by payment of their limits.

#### **2. Payment of Loss**

At our option, we will pay:

- a. An "insured";
- b. The surviving spouse;
- c. The legal representative; or
- d. Anyone legally entitled to recover.

We will pay under Underinsured Motorists Coverage only after the limits of liability under any applicable bodily injury liability bonds or policies have been exhausted by payment of judgments or settlements, unless:

- a. We have been given written notice of a "tentative settlement" and decide to advance payment to an "insured" in an amount equal to that settlement; or
- b. We and an "insured" have reached a "settlement agreement".

### 3. Arbitration

Any dispute with respect to the coverage and the amount of damages will be submitted for arbitration to the American Arbitration Association and be subject to its rules for the conduct of arbitration hearings as to all matters except medical opinions. As to medical opinions, if the amount of damages being sought is equal to or less than the minimum financial responsibility limits of the Illinois Vehicle Code, then the current American Arbitration Association Rules will apply. If the amount being sought in an American Arbitration Association case exceeds the minimum financial responsibility limits of the Illinois Vehicle Code, then the Rules of Evidence that apply in the circuit court for placing medical opinions into evidence will govern. Alternatively, disputes with respect to damages and the coverage will be determined in the following manner.

Upon the insured requesting arbitration, each party to the dispute shall select an arbitrator and the two arbitrators so named will select a third arbitrator. If such arbitrators are not selected within 45 days from such request, either party may request that the arbitration be submitted to the American Arbitration Association. Any decision made by the arbitrators will be binding for the amount of damages not exceeding \$50,000 for bodily injury to or death of any one person, \$100,000 for bodily injury to or death of two or more persons in any one motor vehicle accident, or an "insured's" policy limits for bodily injury or death, whichever is less. All three person arbitration cases proceeding in accordance with any uninsured motorist coverage conducted in this State in which the claimant is only seeking monetary damages up to the minimum financial responsibility limits of the Illinois Vehicle Code will be subject to the following rules:

- a. If at least 60 days' written notice of the intention to offer the following documents in evidence is given to every other party, accompanied by a copy of the document, a party may offer in evidence, without foundation or other proof:

- 1) Bills, records and reports of hospitals, doctors,

dentists, registered nurses, licensed practical nurses, physical therapists and other healthcare providers;

- 2) Bills for drugs, medical appliances and prostheses;
- 3) Property repair bills or estimates, when identified and itemized setting forth the charges for labor and material used or proposed for use in the repair of the property;
- 4) A report of the rate of earnings and time lost from work or lost compensation prepared by an employer;
- 5) The written opinion of an opinion witness, the deposition of a witness, and the statement of a witness that the witness would be allowed to express if testifying in person, if the opinion or statement is made by affidavit or by certification as provided in Section 1-109 of the Code of Civil Procedure;
- 6) Any other document not specifically covered by any of the foregoing provisions that is otherwise admissible under the rules of evidence.

Any party receiving a notice under this paragraph may apply to the arbitrator or panel of arbitrators, as the case may be, for the issuance of a subpoena directed to the author or maker or custodian of the document that is the subject of the notice, requiring the person subpoenaed to produce copies of any additional documents as may be related to the subject matter of the document that is the subject of the notice. Any such subpoena will be issued in substantially similar form and served by notice as provided by Illinois Supreme Court Rule 204 (a) (4). Any such subpoena will be returnable not less than five days before the arbitration hearing.

- b. Notwithstanding the provisions of Supreme Court Rule 213(g), a party who proposes to use a written opinion of an expert or opinion witness or the testimony of an expert or opinion witness at the hearing may do so provided a written notice of that intention is given to every other party not less than 60 days prior to the date of hearing, accompanied by a statement containing the identity of the witness, his or her qualifications, the subject matter, the basis of the witness's conclusions and his or her opinion.
- c. Any other party may subpoena the author or maker of a document admissible under this subsection, at that party's expense, and examine the author or maker as if under cross-examination. The provisions of section 2-1101 of the Code of Civil Procedure will be applicable to arbitration hearings, and it will be the duty of a party requesting the subpoena to modify the form to show that the appearance is set before an arbitration panel and to give the time and place set for the hearing.

- d. The provisions of Section 2-1102 of the Code of Civil Procedure will be applicable to arbitration hearings under this subsection.

#### 4. Trust Agreement

- a. When we owe anyone under this coverage, they will:
- 1) Hold in trust for us all rights of recovery against the other party;
  - 2) Do whatever is necessary to secure these rights, and do nothing to harm them; and
  - 3) Sign and deliver to us all relevant papers.
- b. When we pay anyone under this coverage, they will:
- 1) Repay us out of any damages recovered from any legally liable party;
  - 2) Take any action necessary to recover payments made under this coverage, through a lawyer chosen by us; and
  - 3) Repay us from any recovery for expenses, costs or lawyers' fees we paid in the action.

#### 5. What To Do When An Accident Or Loss Happens

When there is an accident or loss, the "insured" will:

- a. Notify us or our Agent in writing as soon as possible stating the:
- 1) Name and policy number of our Policyholder;
  - 2) Time, place and circumstances of the accident or loss; and
  - 3) Names and addresses of injured persons and witnesses.
- b. Provide us:
- 1) Promptly any papers that relate to the accident or loss; and
  - 2) Separate signed written and/or oral statements containing all the facts about the claim;
- c. At our request:
- 1) Separately answer all questions about the accident or loss;
  - 2) Submit to examinations and statements under oath and sign transcripts of the same;
  - 3) Assist in making settlement;
  - 4) Help us enforce any right of recovery against anyone liable to the "insured";
  - 5) Cooperate with our investigations and any lawsuits;
  - 6) Attend hearings and trials;
  - 7) Assist us in securing and giving evidence

and in obtaining the attendance of witnesses;

- 8) Submit to physical and mental examinations by doctors we choose as often as we reasonably require. We will pay for these examinations;
- 9) Sign papers to allow us to obtain medical reports, earnings statements and copies of records;

- d. Not make payments, assume obligations or incur expenses, except at the "insured's" own cost.

If claimants or their representatives bring action for damages, copies of suit papers must be sent to us at once.

In an action against us, we may require an "insured" to join with us to bring those we allege to be liable into the action as party defendants.

Any person seeking Underinsured Motorists Coverage must also:

- a. Give us written notice of a "tentative settlement" and allow us 30 days to advance payment in an amount equal to that settlement to preserve our rights against the owner or operator of the "underinsured motor vehicle".
- b. At our request, file suit against the owner or operator of the "underinsured motor vehicle" prior to the conclusion of a "settlement agreement". Such "suit" cannot be abandoned, or settled without giving us written notice of a "tentative settlement" and allowing us 30 days to advance payment in an amount equal to that settlement to preserve our rights against the owner or operator of the "underinsured motor vehicle".

#### 6. Lawsuits Against Us

An "insured" must comply with the terms of the policy before an "insured" may sue us.

#### SECTION V – DEFINITIONS

"Auto" means:

1. A land motor vehicle or "trailer" designed for use over public roads, including any attached machinery or equipment; or
2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

"Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

"Hired auto" means an "auto" hired, rented or borrowed by a "named insured" for use in the "named insured's" business. "Hired auto" does not include an "auto" owned by:

1. An employee or partner of an "organization" or a household member of that employee or partner; or
2. An employee of an "individual" or a household member of that employee.

"Individual" means a natural person named in Item 1. on the Declarations.

"Insured" means any person or "organization" we specifically state is covered in SECTION II - WHO IS AN INSURED of this endorsement.

"Miscellaneous vehicle" means: a motorcycle (including a motorcycle with a sidecar), moped, snowmobile, golf cart, all terrain vehicle and any similar recreational vehicle. It does not include a lawn and garden tractor or mower or similar vehicle.

"Motor vehicle" means any vehicle that is self-propelled and is required to be registered under the laws of the state in which "you" reside at the time this policy is issued. "Motor vehicle" does not include a vehicle:

1. Propelled solely by human power;
2. Propelled by electric power obtained from overhead wires;
3. Operated on rails or crawler treads;
4. Located for use as a residence or premises; or
5. Which is a lawn and garden tractor or mower or similar vehicle.

"Named insured" means "individual(s)" named in Item 1. on the Declarations or "organizations" named in Section 1. on the Declarations.

"Non-owned auto" means an "auto" a "named insured" does not own, hire, rent, lease or borrow but only while used in the business of a "named insured". This includes "autos" owned by a "named insured's" partners, employees or members of

their households, but only while used in the business or personal affairs of a "named insured".

"Occupying" means in, upon, getting into or out of.

"Organization" means a partnership, corporation, association, limited liability company, or any other form of "organization" named in Item 1. on the Declarations.

Resident relative" means a person who:

1. Physically lives with an "individual"; and
2. Is related to the "individual by blood, marriage, or adoption, or is a ward or other person under 21 years old in that "individual's care.

Unmarried, unemancipated children attending school fulltime, living away from home will be considered a "resident relative" of an "individual".

"Settlement agreement" means that we and an "insured" agree that an "insured" is legally entitled to recover from the owner

or operator of the "underinsured motor vehicle", damages for "bodily injury" and, without arbitration, agree also as to the amount of damages. Such agreement shall be final and binding regardless of any subsequent judgment or settlement reached by an "insured" with the owner or operator of the "underinsured motor vehicle".

"Suit" means a civil proceeding in which damages because of "bodily injury" to which this coverage applies are alleged. "Suit" includes:

1. An arbitration proceeding in which such damages are claimed and to which the "insured" must submit or does not submit with our consent; or
2. Any other alternative dispute resolution proceeding in which such damages is claimed and to which the "insured" submits with our consent.

"Tentative settlement" means an offer from the owner or operator of the "underinsured motor vehicle" to compensate an "insured" for damages incurred because of "bodily injury" sustained in an accident involving the "underinsured motor vehicle".

"Trailer" includes a semi-trailer.

"Uninsured motor vehicle" means:

1. A "motor vehicle" or "trailer" for which there is no liability bond, insurance policy, or certificate of self-insurance at the time of the accident in the amounts required by the financial responsibility law where the "auto" we insure is principally garaged.
2. A "motor vehicle" or "trailer" for which the insuring company denies coverage or is or becomes insolvent; or
3. A "hit-and-run" "motor vehicle". The vehicle must cause "bodily injury" to an "insured" by hitting an "insured", an "auto" we insure or a vehicle an "insured" is "occupying". The identity of the driver and owner of the "hit-and-run" vehicle must be unknown. The accident must be promptly reported to the police or other proper governmental authority within 24 hours or as soon as practicable. We must be notified as soon as possible. If there is no physical contact with the "hit-and-run" vehicle, the facts of the accident must be proved by competent evidence.

"Uninsured motor vehicle" does not include any vehicle or equipment:

1. Insured for Liability Protection under this policy;
2. That is owned or operated by a self-insurer within the meaning of the financial responsibility laws, motor

carrier laws or similar laws, unless the self-insurer becomes insolvent;

3. Designed for use mainly off public roads while not on public roads; or
4. Owned or rented by, furnished to or available for the regular use of a "named insured" or a "resident relative".

"Underinsured motor vehicle" means a "motor vehicle" or "trailer" that has liability insurance in effect, but:

1. The available limits have been reduced by payment to others from claims arising from the same occurrence to less than the limits shown on the Declarations for Underinsured Motorists Coverage for one "auto".
2. The sum of the applicable limits of liability under all bodily injury liability bonds, insurance policies and self-insurance plans applicable at the time of the accident is less than the applicable limits shown on the Declarations for Underinsured Motorists Coverage for one "auto".

"Underinsured motor vehicle" does not include any vehicle or equipment"

1. Insured for Liability Protection under this policy;
2. Designed for use mainly off public roads while not on public roads; or
3. Owned or rented by, furnished to or available for the regular use of a "named insured" or a "resident relative".

#### **OTHER PROVISIONS**

All other provisions of the policy apply.



ERIE INSURANCE  
COMMERCIAL GENERAL LIABILITY  
CG 20 13 (Ed. 4/13) UF-9671

POLICY NUMBER:

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – STATE OR GOVERNMENTAL AGENCY OR  
SUBDIVISION OR POLITICAL SUBDIVISION – PERMITS  
OR AUTHORIZATIONS RELATING TO PREMISES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

**State Or Governmental Agency Or Subdivision Or Political Subdivision:**

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A. Section II – Who Is An Insured** is amended to include as an additional insured any state or governmental agency or subdivision or political subdivision shown in the Schedule, subject to the following additional provision:

This insurance applies only with respect to the following hazards for which the state or governmental agency or subdivision or political subdivision has issued a permit or authorization in connection with premises you own, rent or control and to which this insurance applies:

1. The existence, maintenance, repair, construction, erection or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners or decorations and similar exposures; or
2. The construction, erection or removal of elevators; or
3. The ownership, maintenance or use of any elevators covered by this insurance.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

- B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**EXHIBIT F**

Dale A. Sabo, MBA, CPCU  
Vice President & Claims Manager

March 26, 2020

Joianna Inc. DBA  
Tannins Wine Bar  
112 N York St.  
Elmhurst Il. 60126-2806

Re: ERIE Claim      A00002506169  
ERIE Policy:      Q382050905  
Date of Loss:      3-16-20

Dear Mr. Allas:

This letter is in reference to the above-captioned claim which was reported to Erie Insurance Exchange on 3-19-20 seeking coverage under the Ultraflex Policy #O382050905 issued to Joianna Inc.

During our conversation on 3-19-20, you explained that your business was shut down because of mandate from the Governor of Illinois because of the Coronavirus. We regret to inform you that there is no coverage for your loss of income because there is no direct physical loss to your building or business personal property. In addition, the policy excludes coverage for damage caused by virus, bacterium, or microorganism.

Please reference the Insuring Agreement for Building(s) – Coverage I, Business Personal Property – Coverage II and Additional Income Protection – Coverage III reads in relevant part:

## SECTION I - COVERAGES

## INSURING AGREEMENT

We will pay for direct physical "loss" of or damage to covered property at the premises described in the "Declarations" caused by or resulting from a peril insured against.

SECTION II – PERILS INSURED AGAINST states:

## SECTION II - PERILS INSURED AGAINST

**BUILDING(S) - COVERAGE 1**

**BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS -  
COVERAGE 2**

**ADDITIONAL INCOME PROTECTION - COVERAGE 3**

### Covered Cause of Loss

Denial FX000 - Case 1:19-cv-00273-UNA Document 1-1 Filed 07/25/19 Page 1 of 1

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Branch Office • 2407 North Main Street • P.O. Box 2410 • East Peoria, IL 61611-0410  
309.698.1825 • Toll Free 1.888.335.3743 • Fax 888.339.3743 • erieinsurance.com

Dale A. Sebo, MBA, CPCU  
Vice President & Claims Manager

This policy insures against direct physical "loss", except "loss" as excluded or limited in this policy.

*Since there is no direct physical "loss" of or damage to Covered Property, there is no coverage for this loss.*

#### **Business Interruption Coverage**

Refer to SECTION I of the policy for what constitutes Covered Property under INCOME PROTECTION – COVERAGE 3. **Additional Income Protection** means loss of "income" and/or "rental income" you sustain due to partial or total "interruption of business" resulting directly from "loss" or damage to property on the premises described in the "Declarations" from a peril insured against. **Extra Expense Coverage** under paragraph B of Coverage 3 also requires a partial or total "interruption of business" resulting directly from "loss" or damage to property on the premises described in the "Declarations" from a peril insured against.

As defined in Section XI of the policy, "Loss" means direct and accidental loss of or damage to covered property. "Interruption of business" means the period of time that your business is partially or totally suspended and it: (1) Begins with the date of direct "loss" to covered property caused by a peril insured against; and (2) Ends on the date when the covered property should be repaired, rebuilt, or replaced with reasonable speed and similar quality.

*Income Protection does not apply because there was no partial or total "interruption of business" due to direct physical "loss" or damage to Covered Property on the premises from a peril insured against.*

#### **Additional Coverages - Civil Authority**

Additional Coverages - Civil Authority under paragraph C of the Income Protection Coverage Section of the policy (SECTION I, Coverage 3) reads:

#### **C. Additional Coverages**

##### **1. Civil Authority**

When a peril insured against causes damage to property other than property at the premises described in the "Declarations", we will pay for the actual loss of "income" and/or "rental income" you sustain and necessary "extra expense" caused by action of civil authority that prohibits access to the premises described in the "Declarations" provided that both of the following apply:

- a. Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the premises described in the "Declarations" are within that area but are not more than one mile from the damaged property; and
- b. The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the peril insured against that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Denial FX00 19 (002) Unratelx policy denial - Jomina inc



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Vice President & Claims Manager

*Civil Authority coverage does not apply because a Civil Authority did not order that the business be closed due to damage to property within one mile of the premises described in the "Declarations," caused by a peril insured against.*

*Contingent Business Interruption does not apply because there was no partial or total "interruption of business" directly from "loss" or damage to Buildings or Business Personal Property of "dependent properties" from a peril insured against.*

Denial FX000 Rev 119 (062) - Gladeflex policy denial - Jomara inc

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Vice President & Claims Manager

We may not be sued unless there is full compliance with all the terms of this policy. Suit must be brought within 2 years (Maryland and North Carolina - 3 years) after the "loss" occurs. (IL – The period of time for filing suit must be extended by the number of days between the date the proof of loss was filed and the date the claim was denied in whole or in part).

**Part 919 of the Rules of the Illinois Department of Insurance requires that our company advise you that, if you wish to take this matter up with the Illinois Department of Insurance, it maintains a Consumer Division in Chicago at 122 S. Michigan Ave., 19th Floor, Chicago, Illinois 60603 and in Springfield at 320 West Washington Street, Springfield, Illinois 62767.**

Sincerely,

Sincerely,  
Savannah

**Dave King**  
Property Adjuster  
Illinois Claims Office  
618-344-4154

By certified mail – return receipt requested

cc: Joiana Inc  
Kevin Dougherty Insurance

Denial FX00 - Form 19 (002) - Juralex policy denial - Joiana Inc

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002) Juraslex policy genia - Jotama Inc  
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